

Warehousing Sustained in Port Terminals Inquiry—See Page 30

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Optimism Apparent in the Industry as the New Year Dawns

Warehouse Trade Association Presidents, Contributing Opinions to Annual Review and Forecast, Say with Few Exceptions That They Look Forward to a Prosperous 1929—Favorable and Adverse Factors Are Cited as Bases for Beliefs

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ONCE more *Distribution and Warehousing* presents a first-of-the-year symposium of business conditions, past, present and anticipated, as viewed by presidents of trade associations within the public storage industry. As J. Edgar Lee, general president of the American Warehousemen's Association, comments, "it would seem that we can be guided," as to what 1929 holds in store, "by nothing better than expressions from executives of some of the leading industries of the country." Here, then, are expressions from executives of some of the leading trade organizations within our own industry. Approximately fifty national, sectional, State and local associations in the United States and Canada are represented by opinion and forecast, and it is believed that this annual review reflects comprehensively the composite thought of warehousing operators as the new year dawns.

Twelve months ago, in the forecast article published on these pages at that time, the industry's leaders, writing for the most part conservatively, looked forward to "normalcy of business" in 1928; the fact that a Presidential year was being entered was not regarded as a stumbling block in the way of prosperity.

"The forecasts of that time have now developed into history," Mr. Lee writes now, "and judging from reports which have found their way to our association headquarters at Chicago during the year, it would appear that on the whole the industry has enjoyed a prosperous year."

Analyzing the current opinions and those of a year ago, and comparing the two, one senses that in the merchandise branch of warehousing the executives are more optimistic regarding the immediate future than they were early in the year just closed.

The note of pessimism evident today in the household goods storage business, as sounded by men engaged in the furniture end, can be traced in part to over-expansion of space and to the impetus in construction of apartment houses. However, the household goods men see a definite ray of light in the organizing of the Allied Van Lines, Inc., by the National Furniture Warehousemen's Association.

Prosperity factors at this time far overshadow adverse influences, as may be observed by one who reads the accompanying opinions from half-a-hundred trade association presidents.

Among the favorable factors may be mentioned the following as perhaps outstanding:

Optimism resulting from the election of Herbert Hoover, business man and industrial engineer, as President. Improvement in general business conditions. Anticipated development of South American trade by reason of Mr. Hoover's good will journey, and of foreign commerce generally. Bounteous crops and uniformly good prices for them, with consequent stabilization of buying power in the agricultural regions. Expectation of an improved unemployment situation. Prosperity of the rail carriers and their increasingly dependable service. Increased business experienced during the final quarter of 1928. Large steel orders placed. More automobiles being produced. Increased savings, deposits and bank clearings. Credit more easily available for legitimate financing. More building construction. Industrial plants generally running on full time. Increasing number of inquiries from manufacturers as to space for storage, and a growing understand-

ing of the economic position of the public warehouse in the scheme of distribution. Highway development programs, promising better roads and assuring absorption of labor. More regard being paid by storage executives to business ethics. Development of sidelines, as fumigation, garment storage, etc., in household goods plants. Increase in long distance hauling.

The relatively fewer adverse influences may be summarized as follows:

Over-expansion of space in household goods and cold storage warehousing. Building of more apartments, hotels, homes, etc., resulting in rental reductions and fewer lots going into storage. Excessive loans on commodities kept in cold storage. Unfair competition, including price cutting. Continuing tendency by storers to shop for lower rates. Competition by irresponsible companies. Government and State competition with private capital.

The association presidents' opinions are given on this and ensuing pages.

General

"IT is now one year since *Distribution and Warehousing* called on the executives of the several warehouse organizations of the country for a forecast of business conditions for the year 1928," writes President Lee of the American Warehousemen's Association. "The forecasts made at that time nearly all indicated that the year 1928 should prove a prosperous one for our industry, and aside from the usual election year bugaboo there seemed to be few, if any, reasons for expecting other than a prosperous 1928.

"The forecasts of that time have now developed into history, and judging from the reports which have found their way to our association headquarters at Chicago during the year, it would appear that on the whole the industry has enjoyed a prosperous year; yet we are not without complaints from some of our members in certain localities who have not participated in this general wave of prosperity.

"With regard to 1929 and what it holds in store for us, it would seem that we can be guided by nothing better than expressions from executives of some of the leading industries of the country, whose forecasts all indicate full confidence in a continuation of the generally satisfactory and prosperous times.

"In addition to the general satisfactory condition of the industrial world, the bounteous crops which have recently been harvested throughout the country and which are now being marketed at uniformly good prices have materially strengthened the financial position of those engaged in agricultural pursuits, all of which must reflect itself in still more generally improved conditions.

"The merchandise and cold storage warehouses of the country are today, more than ever before, one of the most important factors in the economical distribution of industrial and agricultural products, and as such recognized factors cannot evade being affected by business conditions generally existing.

"Under such conditions as it appears we are warranted in expecting in 1929, coupled with the fact that the ware-

houses will be called upon to perform their usual functions of storing and distributing the products of both farm and factory, it would indeed be difficult to anticipate other than a prosperous 1929 for the warehouse industry."

The opinion prepared by William I. Ford, Dallas, as president of the National Furniture Warehousemen's Association, reads:

"It would appear that the Hoover stock boom has run its course, and it may be fairly stated that business has reached its normal, in so far as the election may have momentarily affected it. It was noteworthy during the recent Presidential campaign that there was no depression or falling off in the business activities, which apparently marked each of the candidates safe in so far as business was concerned.

"The year 1928 has seen an improvement in general business conditions in the southwest territory: good returns from agriculture have increased and stabilized the buying power of the territory to the extent that there has been a marked improvement as against 1926 and 1927.

"The new year will open with agriculture in the Southwest, together with livestock interests, occupying a very favorable position; by this it is intended to say that the smaller farmers, generally speaking, have liquidated all loans, and in many instances have laid up supplies and a reserve for 1929, and where this has not been done their credit has been basically established, which will carry their purchasing power into 1929, which, together with building activities of the normal kind, should produce for 1929 good business.

"Inquiry among business men indicates the same; in fact, there is appearing a decided optimism among those approached as to business conditions for 1929.

"Particularly, as to the warehouse business it may be stated that the manufacturer is becoming more and more educated to the value of this economic unit, and mercantile warehouses are being patronized more and more from

year to year as the economy of such is realized.

"The prospect for household goods business for 1929 may be described as normal, and the continued activity in the business world would make for business in the household goods end of the industry. Advancement in position, enlargements of activities of large companies, changes from point to point of employees, make a continuous flow of the household goods business. Incidental to these changes are the packing and shipping of household goods and, in some cases, storage of the same, and for 1929 it seems safe to prophesy that the business will be normal, if not better, than 1928.

"There are problems to be solved, particularly with relation to the transportation of freight of all kinds by motor truck. Undoubtedly there will be much legislation in the various States looking to the regulation of this motor transport. It is hoped by the industry that some legislation may be had, and that it will be recognized that the motor transport is here to stay to be used in the transportation of merchandise and household goods.

"The removals of household goods by motor truck is being extended, and, as the months go by, long distances are being included in this activity. Where formerly goods were packed and shipped by railroad, it is no unusual matter to have these same goods transported by motor truck from 500 to 1000 miles, and practically all the business under 500 miles is now being done by motor truck.

"To solve this problem in which the household goods industry is much interested, during 1928 a forward step was taken by the N. F. W. A. in the organization of the Allied Van Lines, Inc. This organization has received considerable publicity, and it may be fairly stated to be now a going concern. Its activities, unquestionably, will be extended to practically all parts of the United States and Canada.

"Summing up, it may be stated that general business conditions, speaking of the southwest territory, are in first class shape, and, with reference to the warehouse industry in particular, it

may be stated that there is reason to feel that it will continue along normal lines with no positive boom activity, and under these conditions one may be justifiably proud and humbly thankful."

Expectations of favorable unemployment and agricultural situations lead Fred R. Long, St. Louis, president of the merchandise division of the A. W. A., to believe that the country will be prosperous in 1929.

"Some few days ago," Mr. Long writes, "a factory inspector who had looked over our warehouse said to me that nearly every factory that he was inspecting was putting on more men, which indicated a revival of business at the end of this year [1928], which seems to me will carry through into 1929 in an increasing degree.

"I am thinking only in terms of 1929 being one of the best years that the United States has experienced, for the reasons that indications point to little or no unemployment, and because I think there will be something definitely hopeful come from the Government for the farmer.

"With unemployment at the diminishing point and the farmer marketing his products at a better advantage it is sure that the country is set for prosperity in 1929."

Cold Storage

For the cold storage branch of the industry, Nimmo Old, Jr., Richmond, Va., president of the cold storage division of the A. W. A., predicts that from the viewpoint of volume there will "undoubtedly" be "an increase over 1928," due in part to "a larger carry over volume." But he warns against excessive loans on commodities stored and names other factors which he considers adverse.

Recent figures for the four principal commodities, butter, cheese, eggs and poultry, he points out, show that receipts are larger, with distribution smaller, than for the corresponding period in 1927, with a consequent increase in holdings, and "if this condition prevails along with normal crops during the coming year favorable results in the industry will obtain." He continues:

"There are three adverse factors looming on the horizon. The enormous contemplated increase in terminal cold storage facilities coupled with the projects of uninformed promoters will tend toward a surplus of cold storage space. In the wake of this is likely to come greatly reduced rates in an attempt to fill the surplus space. It is conceivable, therefore, that in spite of an increased volume, the total money return will remain approximately what it was in 1928.

"The third factor which appears to grow progressively worse each year is the custom in some centers to make excessive advances on commodities stored. This practice of failing to maintain sufficient margins is not only economically

Economic Conditions as Viewed by Secretary of Commerce Whiting

THE following statement on economic conditions and prospects for the coming year was prepared by William F. Whiting, Secretary of Commerce, for release on Jan. 1:

"Some of the more important economic forces which dominate the business situation as we enter the new year are credit conditions, the degree of accumulation of merchandise stocks and of speculation in them, the size of the crops and of our current industrial output, the rate of wages and volume of employment, and the prospects of foreign trade.

"With respect to credit conditions 1928 has been an extraordinary year. The outflow of gold which began in the autumn of 1927 continued during the first half of 1928 and caused a reversal in the easy money situation that had prevailed for several years. Public attention has been fixed on the rise in the rates of stock-exchange 90-day time loans from 4 1/2 per cent in January to 7 1/2 per cent in early autumn and the even greater rise in call money rates. It is well, however, to note that bank credit for commercial purposes has been in ample supply at rates ranging from less than 1/2 per cent higher in southern and western cities to slightly over 1 per cent in New York City, while open-market rates for commercial paper have increased by only 1 1/2 per cent during the year.

"Agricultural output during the past year was about 5 per cent larger than in 1927 and there was an even greater expansion in manufacturing production, but neither stocks of raw materials nor of manufactured goods have shown

any general tendency to accumulate. There is no considerable speculation in commodities, and wholesale prices average about the same as a year ago.

"Wages continue at a high level and unemployment has been reduced to a minimum. There has been a continued demand for additional workers by mercantile establishments, hotels, and the automotive industry and factories have once more been increasing the number of their payrolls. Labor conflicts in the coal and cotton textile industries were settled during the past year and relations in most sections of the labor world are now amicable.

"Activity in the automotive and construction industries has been sustained and is particularly noteworthy. Automobile production has been at a higher level in recent months than at any earlier period, and contracts for future construction have been substantially greater than in the corresponding period a year ago. Production of many related products, such as iron and steel, cement, gasoline and rubber tires, has been stimulated as a result of these developments. The textile and coal industries, however, still lag behind the others.

"Foreign, as well as domestic, demand for the products of our farms and factories is steadily expanding. During the past year there has been an exceptionally large growth of our exports of finished manufactures—especially automobiles, machinery and petroleum products.

"In general it may be stated that both industry and trade are exceptionally active as we enter the new year."

unsound but dangerous to all parties concerned. The matter of loans sometimes gets beyond the control of the warehouseman and permits wild speculation by people who have neither the capital nor ability to carry on such activities. Such people take advantage of the leniency of the storage and operate on the warehouseman's money. Unless these operations are curbed during 1929 they are likely to remain a blot on what otherwise promises to be a satisfactory storage year."

Trucking

The rank and file of the transfer men throughout the country "go forward into the new year with just a little more confidence than ever before," writes James Simpson, Pittsburgh, president of

the National Team & Motor Truck Owners' Association. To quote:

"Those of us who haul for hire are in the habit of cleaning house at the end of each year and, like the model housekeeper, we throw away that which has served its day but is now worn out and useless. In other words December marks the time for us to discard equipment that is out of date and for which there is no further demand and substitute that which is more modern and more serviceable.

"This policy we have followed during the past thirty years, not always certain that it was the most profitable thing to do but because we felt that we must go on. Our organization is a big one. We promise the public prompt, efficient and reliable service constantly; thus we are

compelled to keep our equipment in first class condition.

"We have had some lean years, of course, and have missed our guess on several occasions, but we have continued the same policy.

"You ask about the year 1929. We follow with keen interest the words and advice given the public by men like Mellon, Schwab and Babson and are inspired by them to go forward into the new year with just a little more confidence than ever before. This confidence we find among the rank and file of the transfer men throughout the country. The future seems to promise more than any time in the past."

The East

BUSINESS is resting on a firm foundation and for 1929 should terminate satisfactorily, in the opinion of C. J. Hamilton, Baltimore, eastern divisional vice-president of the N. F. W. A., who sees over-expansion and unfair competition as the major adverse factors.

"If I were to trespass upon Father Time's realm of 1929," Mr. Hamilton writes, "I believe I could visualize, being influenced by inherent optimism, that the new year will bring to our industry its full share of prosperity. Fortunately there are no serious fluctuating conditions encountered in our business, and with safe and sane management on the part of the warehouseman, I can see no reason why the business situation for 1929 should not terminate satisfactorily. We must come to the realization that business is now resting on a more normal and safer foundation, which I believe will foster a better understanding by the warehouseman of the real requirements for the prudent management of his business.

"Over-expansion, in my opinion, has been a very serious factor in retarding the sound progress of our business. While it is our duty to be alert and grasp every opportunity to improve our business, there are times when our purpose has been greatly misdirected. Our industry has unquestionably been greatly benefited by the many new fireproof warehouses constructed in recent years, which has helped materially to elevate the standards of our business, but should this be destroyed by increasing facilities in localities where it is not justified, thereby creating unnecessary competition and ultimately degrading a business that it has taken many years to elevate to its present high level of service to the public and a moderately fair return on the invested capital?

"Unfair competition is another factor to be reckoned with for the continued progress of our business, and, as our industry has now had considerable experience with this element, probably 1929 will enable us to handle this condition intelligently, constructively and consistently, thereby enabling the warehouseman properly to analyze this disturbing factor and eventually find a solution to help him to continue to render a high type of service without

a material deflation in his income account.

"We must not treat this condition on a basis of service versus price, for above all the present day warehouseman must maintain the highest degree of service to the public, for this is to be his main weapon in order to sustain his existence. Then the matter of price is the one factor that must necessarily give us the most concern. If these views are correct, it is paramount to me that the matter of price competition and not service competition will require considerable thought and study by our industry during the coming year."

Connecticut

WITH the national and State elections settled "and with capital and labor working hand in hand for the betterment of business conditions," Leonard S. Clark, Greenwich, president of the Connecticut Warehousemen's Association, foresees "a very prosperous future," with keen competition, but on an honorable plane, in 1929.

"We are particularly fortunate in this State," Mr. Clark points out, "as we have absolutely no bonded indebtedness and are therefore subject to no taxes other than those needed to carry on the State's business. We are a manufacturing State with plenty of skilled labor and with orders considerably in advance in the larger manufacturing districts. Transportation by railroad can be promptly and efficiently handled by the New York, New Haven & Hartford Railroad, which is just emerging from a slump of the past few years and is now paying a dividend to its stockholders. Transportation by motor vehicle is easily accomplished with all our main highways made of concrete and wide enough to handle traffic.

"Storage business has perhaps fallen off a little, due primarily because the people of Connecticut have built their own homes and are therefore a home-loving commonwealth, but this lack of furniture storage is made up by the increase in storage of manufacturers' commodities. Power for the supply of our factories is greatly helped by the increased power plants and is reasonable in price.

"I believe 1929 will prove a year of stiff competition in our business, but with that competition on a very high and honorable plane. This is due to the fact that the men in our industry are wide awake and full of business for this State and each one will do all in his power to increase our business as a State organization.

"In one word, the situation in Connecticut is mighty prosperous."

New York State

BASED on reports received from different parts of the State, U. C. Leckinger, Rochester, president of the New York State Warehousemen's Association, expresses opinion that 1929 will be "considerably better" than 1928, due to the last quarter of 1928 showing

"a real improvement," which he considers a good barometer. Conditions "will be spotty in certain sections," he believes, "due to an over-supply of warehouse space, although if handled properly this can be made to show an increase over the year just closed." Mr. Leckinger continues:

"From reports of various trade journals, orders for domestic and foreign consumption are on an increase, and just now President-elect Hoover is on a good will trip in South America and I can see no reason why his presence should not bring about a better business feeling which will bear fruit for the manufacturers and merchants of the States, and right here is where the warehouse industry will profit.

"True, the chain store and hand-to-mouth buying are with us today and here to stay, I believe, but once they are set and have a chance to breathe I reckon they will be added means of new business for our industry, the manufacturer being forced to carry spot stocks in all centers to get his share of trade which calls for immediate delivery.

"For the furniture storage branch I cannot see any brighter conditions in 1929, due to a generous supply of apartment houses and plenty of individual houses, and also, as one party summed up, the demand for this service seems to be going down steadily, attributed to the fact that many people are buying furniture on the instalment plan, and, when the time comes to make a change in residence, rather than store the goods at their own expense they let the furniture go back to the seller and lose their small supply.

"Summing up, I would say that a greater effort must be made to find new lines of business to take the place of what we are losing, and adapt ourselves to the new order of things."

New York City

Men who occupy official positions "are presumed to have observed the signs that indicate future conditions and to have marked the shallow spots that should be avoided," Walter F. Firth, president of the Warehousemen's Association of the Port of New York, points out, and "if at any period of the warehouse industry prospective conditions have been portended, this period seems to possess that quality." Mr. Firth goes on:

"With the conveniences of radio, shipment by steam and frequent sailings, the necessities of manufacturers of raw materials and others, consumers may be adequately and promptly met, thus avoiding the need for carrying large stocks in warehouse to meet demands.

"This discouraging aspect is, however, somewhat relieved by the organization of commodity exchanges through which merchants are provided with a broader field from which to buy and producers may protect their future marketing of crops and output and find it possible to hedge trading in nearby months in futures.

"Every increase in the volume of

trading demands a carrying of sufficient of the commodity traded in if a safe market is to be maintained, and thus by the accumulation of various merchandise to make secure the markets against extreme fluctuations, a storage business is created.

"It is well that warehousemen generally should begin to realize this fact, and by cooperation with exchange organizations assist in all reasonable ways to create and maintain such trading.

"The agitation for increase of tariffs by the United States Government on imported merchandise is another indication of increased business for warehousemen, and this not only temporarily because of the importation of large quantities of merchandise prior to the date when the import becomes applicable, but because the records show that heretofore the imposition of higher duties has always resulted in the importation of merchandise in larger quantities, which should benefit warehouse industries. These possibilities may be said to apply locally only, but it can be readily understood that big business here bears its influence all along the line."

Barrett C. Gilbert, president of the New York Furniture Warehousemen's Association, sees over-construction of household goods warehouse space as an unfavorable 1929 factor, although he expects a larger gross volume of business.

"During 1928," Mr. Gilbert writes, "ten new warehouses have been built in the metropolitan area. Four of these concerns have moved part contents from their old warehouses, but in each case they added considerable area to the size of their plant. Six of these concerns have started with empty buildings.

"There are two warehouses under construction which will be finished for spring business. This makes 1928 the greatest year in construction that New York has ever had.

"Because of the vast amount of empty space brought about by this construction, and the added amount of sales effort which always follows the opening of a new warehouse, I believe the percentage of occupancy will be less during 1929 than it has been in many years.

"1929 will produce a greater amount of business, in volume, than 1928, but this increase will not be in proportion to the amount of unused space in warehouses which will be available."

It would be pleasant if one could forecast an improvement in the business of storing and moving household goods in the New York City district, writes William T. Bostwick as president of the Van Owners' Association of Greater New York, but, "peering into the future, the times are not the most pleasant" after "one of the slackest years." He declares that "it would take an optimism hardly to be associated with clear thinking to speak enthusiastically." Mr. Bostwick explains:

"The conditions in our industry in New York City have not been good, probably due to two or three vital facts. In the

REVIEW AND FORECAST

first place, the shortage of apartments after the war and the resultant increase in rents caused a general curtailment in the size of the apartments which the average family occupied. The natural result was the cutting down of the amount of furniture which each family possessed. In some very few cases this furniture was put into storage; in most cases it was sold.

"Following this start came the rapid and tremendous construction of new apartments and the increase in apartment hotels. Both of these factors have had a direct effect naturally on our industry. Some years ago our Van Owners' Association possessed a membership of approximately 300. At that time it did include a fair majority of those engaged in the moving business. During 1928 the association has made active strides in enlarging its scope and to date it can boast of a membership of nearly 750. Even with this large membership there are a great many moving men outside the fold and it seems as though the available timber for membership has increased with leaps and bounds.

"Through determined efforts on the part of the organization in educating the moving men to adopt the hourly basis for moving, conditions have been somewhat improved and the actual amount of money received for work today comes more nearly showing a profit than in many past years.

"It is to be hoped that the attempt at education will go a long way toward helping the future and offset the appreciable loss in business which has occurred, and which apparently will continue during 1929. The hope and endeavor of the management of our association are to raise the standard of the business throughout the greater city and to offer to the public a service and responsibility which the absence of an organization would make impossible. We must carry on in the belief that general conditions will remedy themselves."

Brooklyn

If it is true that every season has its flowers and every cloud its silver lining, symbolizes James A. Perry, president of the Furniture Warehousemen's Association of Brooklyn and Long Island, isn't it fair to say that every industry has its chance to dance with Dame Fortune? And he adds: "Our chance to dance is about due and 1929 will find the Warehouse Industry doing a merry whirl with the Old Dame." Mr. Perry goes on:

"The upward trend of the stock and bond market in Wall Street (our national commercial barometer); orders, enormous in number, and in tonnage, already placed for steel; production and sales throughout the motor vehicle industry; present building construction, plus plans for future construction, recorded in the building industry, indicate that our nation is prosperous.

"Experience teaches that prosperous people sooner or later become restless, and are afflicted with the wanderlust. It is then that the warehouse industry is drafted into service.

"That 1929 will find everyone in our industry drafted and doing his full share of duty in Prosperity's Army is my opinion."

Bronx

The forming of the new Bronx organization known as the Upper New York Warehousemen's Association, according to George Kindermann, its president, "has made it possible for us to stabilize our business and bring about a friendly feeling among its members, and as a result there has been a normal increase in storage." Mr. Kindermann continues:

"On account of the many new apartments which have been built, the people do not hesitate, as they did a few years ago, to put their goods in storage, and there will also be a great deal of moving from house to house.

"As all large manufacturers and chain stores are doing a tremendous business, according to the reports of the stock markets, this should increase our packing and shipping departments, as no doubt there will be numerous transfer of men from one section of the country to another."

Central New York

Ray M. King, Syracuse, president of the Central New York Warehousemen's Club, is optimistic and feels "sure that the future is bright if we don't lay down on the job." Two classes of people don't worry, he comments—one that knows everything will come out all right and the other that is too simple to know that anything is wrong. Hoping that he belongs to the first class, Mr. King continues:

"Merchandise warehousing is changing more rapidly than I think many of us fully appreciate. I believe that successful warehouse operation in 1929 as well as in future years depends on the ability of the warehouseman to meet these changing conditions and to provide the type of service required.

"I believe that the general merchandise business in this section will show an improvement over last year, in spite of the general opinion that business has not been good. November and December are usually quiet months and I believe that the activity in the merchandise business at this time is above normal, and I consider this a good indication for 1929 business. I feel that general business conditions also are a good indication that there will be normal production and employment.

"Forecasts of this kind are necessarily hampered by local conditions and may not prove true of a city a few miles distant and may not compare with a larger or port city.

"In furniture storage I look for an improvement over the year just closing, which was not so good. Indications point to the completing of changes in employment and further developments in home building which were held up during the past year somewhat due to over-expansion partly due to the old bugbear that a Presidential year is a poor year for business. I do not look, however,

for much chance for increase in rates. I believe it will be several years before a tendency to shop is overcome.

"There will be some depression felt from over-expansion of warehouses and increasing competition in the long distance hauling field."

New Jersey

COMMERCIAL warehousing in New Jersey should show "a slight improvement" in 1929 as compared with 1928, in the opinion of D. R. Crotsley, Newark, president of the New Jersey Merchandise Warehousemen's Association, "as various firms throughout the country are using distribution facilities more and more, which should make a natural increase in New Jersey." Mr. Crotsley continues:

"The industry in our State has grown considerably in the past few years, and a number of large warehouses will be built within the next year or two. There will be one of approximately 1,000,000 square feet in Jersey City during 1929 and there is another warehouse proposition, on waterfront property, being figured on in Jersey City which will run into several million dollars. You can therefore see from present indications that the warehouse tonnage in New Jersey should increase right along."

George Sebold, Elizabeth, N. J., president of the New Jersey Furniture Warehousemen's Association, comments that 1928 brought results in warehousing which were "fairly well forecast" by the industry's trade association presidents in last January's issue of *Distribution and Warehousing*.

"The profits of the year past have depended entirely on the aggressiveness and good management, together with a close check for all leaks in the operations, of the various warehouse companies," Mr. Sebold continues.

"All indications for 1929 point to a year when business will be a little freer, the volume a little larger, and should result more profitably to the warehouse industry.

"The public as a whole in 1928 has been successful in market investments, and the general reaction through the year has been one of confidence and expectation for a bigger and better 1929, with less of the nation's wealth going into speculation and more diverted into business channels.

"The very fact that 1928 has called on business executives to watch more closely the disbursement side of the ledgers will reflect, with the same policy carried out in 1929 plus a larger volume in business, in increased profits to business generally.

"But again for 1929, as well as any other year, there must be a coordination of mind, body and soul in business if profits are to be secured, for service, after all, is the real gage on which business can be secured, and perhaps the finest indication today of betterment in

the life of American business is that of the ethical or moral aspect on which business is now founded. Sharp practices are being discontinued more and more. Coordination in the way of mergers, closer association activities, broader understandings, and willingness to help your neighbor, bring with it the very keystone in the arch of prosperity.

"In conclusion, 1929 will be as good as we make it, and results will depend on the business organization which can foresee and does combine all the elements which go to make any business a better business."

Pennsylvania

STORAGE, cartage and packing are drifting back to pre-war conditions and 1929 will not bring any improvement over 1928 in household goods warehousing, in the opinion of F. L. Harner, Philadelphia, president of the Pennsylvania Furniture Warehousemen's Association, who does not feel "that we should be pessimistic" but that each executive should endeavor "to meet the new conditions by keeping down our expenses and increasing the efficiency of our men and service." Mr. Harner points out:

"During the past few years much warehouse space has been added in almost every city. When some of this was added, eight or ten years ago, warehouses were generally well filled and there was sound reason for building at that time. Since then, however, a great many new homes and apartment houses have been built, until that industry also has a surplus of space with a consequent trend to lower rentals. Naturally there is little excuse for anyone not being able to find a home, which tends to take goods out of storage.

"The cartage department is fairly busy; but a decline has been noticed in that.

"Packing has been going down and down, not because there is less to move to distant cities but because within a radius of several hundred miles it is now desirable and practical to move by van, especially since the advent of the bus type chassis.

"I think these departments in a great majority of warehouses will show a steady decline during the past two or three years and it seems to be an indication of drifting back to pre-war conditions. When this process will be completed it is hard to say, but I do not look for 1929 to be any improvement over 1928.

"Customers expect more now for their money and the warehousemen must be prepared to furnish more and better service in order to maintain prevailing prices and meet present day competition."

Pittsburgh

In Pittsburgh, according to James F. Keenan, president of the Pittsburgh Furniture Storage & Movers' Association, business was below par all during 1928, yet was an improvement over

1927. Storage with most of the local furniture warehouses "is under the peak about 25 per cent," he reports, with "packing fully 40 per cent as compared with several years ago" and with local moving "only fair," while spring and fall storage sales did not bring former prices. Continuing, Mr. Keenan writes:

"Long distance hauling has shown a decided increase in volume at fair and better prices. The development of this branch of our business will, of course, decrease packing activities further. The increased popularity of living apartments, especially the smaller ones, has had a tendency of disposing of surplus furnishings instead of storing them by the shifting public.

"Next year [1929] I look for improved conditions not only in our line but in all others. I feel certain there will be a decided change and we will have a gradual increase in prosperity which I feel will continue for several years.

"Long distance moving it is quite evident will continue to grow rapidly, with much better prices available than we have had before, due largely to the public being now more fully informed on this class of service, and the gradual elimination of the irresponsible mover."

Maryland

THE new year probably will show an increase in the volume of goods passing through Baltimore's merchandise warehouses, though there will likely be a reduction in the volume carried as stocks, in the opinion of T. E. Witters of that city, president of the Maryland Warehousemen's Association.

"The tendency," Mr. Witters writes, "is toward rapid distribution, and the dependable service of railroads is causing jobbers to order goods for arrival about the time they will need them. While Baltimore has been growing as a port, imports have been moving through to interior destinations without being warehoused here to any considerable extent.

"There has been a reduction in the locally packed fruits and vegetables in Maryland and the storage of these products has ceased to be a large factor in the warehouse industry in this section.

"West coast products have found economical and efficient distribution, through the port of Baltimore, for the Middle West, and a small part of this traffic finds temporary rest in the warehouse here. Baltimore has a large amount of modern warehouse space, with facilities efficiently to care for a much increased volume of storage and distribution."

The South

BUSINESS conditions throughout the southern territory have been "very prosperous," with warehousing having had a good year, the farm price situation fair, and the banks with plenty of money and proper collateral, accord-

ing to J. L. Wilkinson, Charlotte, N. C., president of the Southern Warehousemen's Association. Looking forward to 1929 "as being our greatest year," Mr. Wilkinson explains:

"First, there is a great campaign on for work to be done on the highways. The southern States are coming forward with work. South Carolina, Georgia and Alabama are setting a good pace in highway building, trying to compete with North Carolina, which has the greatest roads of any State in the South. This work of course will employ any number of now unemployed laborers and give employment also to a lot of skilled engineers, putting money into circulation, which will improve business conditions as a whole.

"We have a number of big New England plants locating in the southern territory, which will bring hundreds of families south.

"The Southern Railroad offices at Washington have been transferred to Atlanta, and that has stimulated business throughout that section considerably, as they moved trainloads of employees to that city.

"There is a \$19,000,000 project being held up now by the Interstate Commerce Commission in not allowing the Piedmont & Northern Railway to connect two of its electric lines, parallel to one of the other railroads. This, I feel sure, will go through within the next sixty to ninety days, at which time this nineteen millions will be spent throughout the Carolinas and will naturally benefit the entire South.

"Our industrial plants are all running on full time and Henry Ford is selling more automobiles than he can assemble.

"I feel 1929 will be the greatest year we have ever had in the South."

Reporting on the central South and covering the household situation principally, James A. Walker, Memphis, southern divisional vice-president of the N. F. W. A., writes that this branch of the business there "has and is undergoing a complete change, in that methods pursued three to five years ago are wholly inadequate at this time." Mr. Walker goes on:

"In the South the moth and other vermin menace is more pronounced than in any other section, due to the climate. With the advertising, by warehouses generally, of moth protection, the public has been educated to a place where it holds the warehouse company responsible in case of damage arising from moth or insect life, and custom has in many localities forced the warehouseman to assume such responsibility.

"Most of the better warehouses in the South are using improved methods in the prevention of moth and other vermin life in the way of furnishing compartments and vaults where overstuffed and other furnishings susceptible to destruction are kept.

"On the whole, I think our territory has made progress in improving methods of handling goods. The year 1929,

REVIEW AND FORECAST

I believe, will see even greater strides made in the South in this connection.

"The business in packing departments has been materially reduced in volume, due to the fact that shipments up to 500 miles are now handled by truck where formerly they were crated and shipped. The success of long distance moving depends entirely on road conditions, and roads in the South are generally inferior to roads in some other sections, and packing departments here are naturally not quite as adversely affected as those in better road sections. However, with the 1929 road program which has been announced it is my belief that during the coming year our road conditions will be equal to those of most any other section. Naturally our long distance moving business will increase in proportion to the decrease in our packing volume.

"We are probably hampered by price cutting in the South to a greater extent than elsewhere, due to the fact that we have innumerable small irresponsible companies which take contracts purely on a price basis and which do not yield to any educational program. This condition is prevalent in many sections, but I believe is more pronounced in parts of the southern States."

Alabama

GOVERNMENT and State competition, alarming to private capital invested in warehousing, is an adverse factor noted by Carl F. Wittichen, Birmingham, president of the Alabama Transfer & Warehousemen's Association.

"The year 1928 has in the writer's opinion been a generally satisfactory one to the warehouses in Alabama and the South as a whole," writes Mr. Wittichen. "Business conditions in this section of the country have, to say the least, been only fair for the past year, with cotton selling below the cost of production, and the recent decline in cotton prices, which was due to a Government forecast of better than a 14,000,000 bale crop, does not augur any too well insofar as general business is concerned during 1929.

"There is another depressing factor, which is somewhat alarming to capital invested in the warehouse industry, and that is the increasing activity of State and Federal Government agencies in the storage line. Products stored in State and Federal warehouses are stored at rates which mean a loss, to the private operator, and these losses, in Governmental operations, are paid for with taxpayers' money. We are paying our share and more of special licenses and taxes, and this money is being used, in part, to subsidize competition.

"There are a few factors to offset the depressing ones, such as the increasing movement of eastern and northern capital to the South, with its attendant increase in population; the continued operation of steel mills in the Birmingham district, assured by unfilled orders on their books; and, to the warehouseman particularly, the increasing use of

warehouse facilities by manufacturers for the distribution of their products."

Florida

THE membership of the Jacksonville Warehousemen's Association is optimistic, writes the organization's president, Henry Wiesenfeld, as there was "a notable increase in business" in late November and early December, and the warehousemen "expect better business during the coming year." Mr. Wiesenfeld continues:

"Jacksonville is growing steadily. During the past ten months twenty-six new industries with a total capital investment of about \$3,500,000 and 600 employees have located here. Forty-four conventions were held here in 1928.

"Jacksonville is still the 'gateway to Florida' and Florida's money crops are increasing continually. The citrus crop is large and of good quality and we understand that the acreage planted to vegetables will be increased considerably.

"Arrangements have also been made to take care of a large tourist season.

"In view of the foregoing facts we do not see any reason why the warehousemen should not get their share of the increased business."

Oklahoma

WAREHOUSING in Oklahoma is "looking forward to another big year," according to Robert A. Weicker, Oklahoma City, president of the Oklahoma Transfer & Warehousemen's Association, who writes that 1928 was "far above the average years, since the peak time of 1920-21" and that business prospects for 1929 "never looked brighter." Mr. Weicker goes on:

"Warehousemen throughout the State are of the same opinion. At our convention in Tulsa in November members stated they had received many new accounts in the past few months—accounts that never had before come into Oklahoma—and also that they had received many inquiries from eastern concerns contemplating carrying stocks in Oklahoma.

"I would say that 1929 will be prosperous for our members. In our State we have a natural and steady growth and have had for many years past, as Oklahoma is a comparatively new State and we have many natural resources, such as oil, mining, farming and cattle raising, and also manufacturing. The oil development is becoming greater every year. Naturally this brings great influence into Oklahoma. Our principal cities have had about a 15 per cent increase in population during the past twelve months.

"Also I base my opinion for 1929 on increase in savings, deposits and bank clearings being much higher than at any previous time. Automobile dealers and life insurance agencies tell me that their business has had a substantial increase and they are looking forward to a much larger year. In the larger

cities building permits show a big gain and building activities contemplated for '29 will be greater."

Texas

IN the Lone Star State the 1929 outlook is "very favorable," declares K. K. Meisenbach, Dallas, president of the Texas Warehouse & Transfermen's Association.

"A big cotton crop has been bringing a good price, the cattle industry is in the best shape it has been in years, the oil industry is very good and has a steady growth, bank clearings are ahead of last year, general development throughout the State has been very good, with big development projects being made by public utilities companies," Mr. Meisenbach writes. "All this, with the Presidential election settled, gives all Texans belief that 1929 will be a much better year than 1928."

"This all reflects on the warehouse industry, for, as Texas expands and develops, more stocks are handled through the warehouses, more people locate in the larger cities, and the warehousemen derive a direct benefit in this manner."

In the opinion of G. K. Weatherred, president of the Dallas Warehouse & Transfermen's Association, general conditions in Texas "were never better" nor was the outlook "ever brighter" for good and substantial business, with the larger cities growing rapidly. Mr. Weatherred continues:

"It is my belief that 1929 will be somewhat better. I base my opinion on the fact of general progress and agricultural conditions. The year 1927 was not generally a good cotton year for Texas; 1928 was much better, production was of high grade and with fairly good yield and price.

"During 1928 Texas faced the most unsettled condition in politics it has ever experienced, so I feel we are entering 1929 with a present healthy condition and greatly reduced skepticism.

"Our State has developed into one of the greatest oil producing districts in the world; although this is not the primary factor in our commercial wealth, it is a large contributor thereto.

Dallas

"The foregoing general conditions are of course the barometer of the warehouse business in general. As for Dallas, it is my personal observation that the year just closed has been a fair one. There is the over-plus of warehouse space, sometimes causing an unfavorable condition in competition. Although Dallas has an abundance of space now, and has had for several years, the older and larger companies have continued to cooperate and we are closing 1928 with a better than average occupancy and fair prices. Maintaining our present growth, coupled with the continuance of local cooperation, 1929 should be a very favorable year.

"Our industry in Texas is paying no small amount of attention to the many

radical changes in transportation and railroad rate construction, as we feel the vital relations thereto."

El Paso

Prospects "look better than they have for some time past," is the belief of Karl Fischer, El Paso, president of the Southwest Transfer Men's Association. Mr. Fischer explains:

"The advent of three large refineries in this territory and general improvement of business conditions assure El Paso and surrounding territory a bright prospective future. The warehouses are from 75 to 90 per cent filled and the general trend of business conditions points to improvement with the incoming year. If you will consult Babcock's statistical map we think you will find our territory 'in the white.'"

Houston

As president of the Houston Warehousemen's Club, R. W. Archer writes:

"As I see it, the situation in Houston, by reason of surplus space—new construction, built far in advance of actual need, added to houses already far from being filled—is not at all favorable, and, worse yet, other new projects are being discussed.

"Occupancy here is approximately 35 to 40 per cent of available salable space. Demand is light, and business offered is being hawked from pillar to post, at non-remunerative rates. This doesn't sound good, but facts are facts."

Central West

As central divisional vice-president of the N. F. W. A., Sidney S. David, Chicago, declares that "a feeling of optimism pervades the warehousemen of the Central West," due in part to "somewhat improved conditions" in the industry during the last half of 1928 and in part to a general belief "that the tide in storage depression has started to turn." He holds that the Hoover victory in the national election, together with the recent report by the Department of Commerce showing improvement in many other branches of business, undoubtedly have "much to do with this general impression of better times to come." Mr. David continues:

"The storage business should share in any general prosperity, although opinion is divided concerning the relative effects of good and bad times. Hard times are productive of a certain class of storage, but this bulked much larger in proportion in earlier days than it does today. Then most of the storage revenue was derived from forced interruptions to housekeeping, and financial stringencies ranked with deaths and divorces.

"Storage today has an altogether different complexion. Prosperity has created a more general demand, and the majority of our lots now may be traced to modern social tendencies, which are a reflex of the general financial well-being. Easy money provides means to vary the manner of living with travel, hotel life, etc.,

and storage has become a necessary adjunct. This factor may have been overshadowed in our minds by wartime and post-war storage needs, but it has been most important in the popular development of storage.

"Prosperity promotes business expansion with its resultant transfers and moving about of officials and employees, which also is a prolific source of storage. A large proportion of our past packing and shipping has originated in such transfers, and its lack has been quickly noticeable during business depressions. Nowadays it will have a like effect on long distance moving.

"Packing for shipment should continue to decrease in volume, as the economic limits for overland moving increase in distance. This may be offset in part by a drive for storage wrapping and packing, which will be inaugurated at the winter meeting of the N. F. W. A. Chicago has set the pace for such wrapping in the past, and its example may well be followed in other cities where warehousemen are complaining of decreases in packing revenues. It requires more education of the storing public, and the beginning of 1929 is a good time to start. A good slogan for the new year may well be 'More packing on storage lots.'

Ohio

OPTIMISTIC regarding warehouse conditions for the coming year, W. R. Kissick, Cleveland, president of the Ohio Warehousemen's Association, reports that business was "very satisfactory" during the last few months of 1928 "in the face of an intensive political campaign," and he believes that with "the political war now a matter of history," business in general should be "on the up-grade and going strong" during the next four years. Mr. Kissick continues:

"I understand from a few merchandise warehousemen down-State that they have already signed contracts with large manufacturing interests for the coming year and feel confident that their business during 1929 will far surpass that of last year.

"With business in general going forward as it now seems certain to do, I predict that the storing of household goods will be satisfactory to all concerned. We must, however, at all times keep a critical eye on our overhead, which is a most important factor in the conduct of our business.

"The long distance hauling of furniture has materially affected our packing departments. This is another matter which requires attention. We should educate our customers that in the storing of their household effects they should be properly wrapped for storage, thereby taking up some of the slack caused by long distance removals.

"The introduction of the Allied Van Lines, Inc., will prove of material benefit, providing that all interested in this new enterprise talk the same language and talk it understandingly."

Illinois

IN analyzing the outlook for 1929 "let us remember the real prosperity that existed during our recent national election," suggests S. C. Tooker, Jr., Chicago, writing on Dec. 7 as president of the Illinois Association of Merchandise Warehousemen. Such prosperity was reported for the last six months of 1928 generally by the association's members "and most all visitors," according to Mr. Tooker, and "judging by the election returns it is apparent that the country is largely Republican, and with past policies followed out I should predict the 1929 outlook to be very bright." He continues:

"My prediction, however, is based on three very essential facts:

"1. By the members of State associations realizing in full the educational and social value their organizations can bring to them, and by lending their fullest support to them.

"2. By every warehouseman realizing the absolute necessity of correctly analyzing his business, not only as to its cost but also his sales policies.

"3. By the warehouseman realizing that every man and woman who is merchandising a commodity is a potential customer and that only through the development of original sales ideas can these people be properly reached to the end that our warehouses can be satisfactorily filled without the necessity of bidding against each other in fields already known.

"Could these three facts be accomplished, our prosperity could be fairly assured without prediction, and associations could naturally assist us with the proper support of their members. I am happy to report the wonderful support received from our members."

As president of the Illinois Furniture Warehousemen's Association, Earl C. Iredale, Evanston, states that there is "a distinct feeling of optimism for 1929," particularly in the Chicago metropolitan area, due to improved conditions during the latter part of 1928 and to "prospects for general prosperity." Mr. Iredale continues:

"If there is one sign more than another which directly affects our optimistic attitude, it is believed to be the conscientious efforts being made by the Chicago Homes Economic Council to remedy the leasing situation peculiar to Chicago. For years, May 1 and Oct. 1 have been our leasing periods. Likewise they are our 'rush' moving days, with their customary attendant problems. Last year [1927] saw the formation of this Council, sponsored and supported by public utilities firms, mortgage bankers, storage and moving companies, realtors and many other kindred interested businesses. Much good was accomplished. Large numbers of leases were changed to periods other than May and Oct. 1.

"Recent reports of the program for the continuation of the activities of the Council bode only good for the correc-

REVIEW AND FORECAST

tion of a situation, which in turn undoubtedly will make for a more orderly and regular month-by-month presentation of storage and moving prospects. We look for definite beneficial results from the work of this Council during 1929.

"Our activities cover a rapidly expanding area, with a population growing by leaps and bounds. Many families are moving into Chicago and its surrounding suburban towns every day. The almost constant change of abode of these families, from apartment to apartment, from house to apartment and *vice versa* in an effort to improve their living conditions or to adjust expenses with income is one which we, as movers and warehousemen, welcome.

"Yes, the year 1929 looks good to us."

Michigan

BUSINESS conditions in Michigan are fair and indications point to "a continuous improvement" in 1929, according to James D. Dunn, Detroit, president of the Michigan Furniture Warehousemen's Association.

"In considering Michigan and Detroit you quite naturally think of the automobile industry," Mr. Dunn writes. "In addition to the domestic demand, the foreign trade is increasing. Large lots of trucks as well as passenger cars are being exported to South America, as well as European ports. All the automobile companies are striving for and encouraging the foreign market. The Ford company is now going strong, adding equipment and building new additions to present plants.

"It is sometimes overlooked that Michigan has other large industries. They are all looking forward with confidence to increased business during the coming year. The operations of the stock markets do not seem to affect general business, and, with the Presidential election now settled for the next four years, it would seem that there will be no cause for any serious disturbance in business for some time to come.

"Unemployment in some sections is apparently the only flaw, but I am convinced that the men who had the ability and genius to create our enormous industries, realizing how necessary it is to promote employment for all willing workers so that they will earn sufficient for the proper maintenance of themselves and families, thereby contributing to a continuous prosperity, will solve this problem in a large measure.

"As regards our particular industry, it naturally follows that with conditions good we will enjoy our share of the general prosperity."

Harold L. Brown, Detroit, president of the Michigan Warehousemen's Association, writes that "business, generally speaking, from a warehousing and distribution standpoint, has increased materially in the past few months and we have every indication that good warehousing is coming here."

Wisconsin

ON behalf of the storage industry in the Badger State, Henry C. Kuehn, Milwaukee, president of the Wisconsin Warehousemen's Association, states that indications are that all three branches "will have the usual tonnage to handle, and in some commodities there should be a slight increase." Mr. Kuehn writes further:

"General economic conditions are good and there are at the present time no signs of any depressions which might tend to reduce the tonnage.

"However, the story would not be complete without mentioning the other side of it, which has been an increasing source of worry and concern to all warehousemen in this vicinity—namely, that of rate cutting. In my opinion 1928 has seen more rate cutting in this vicinity than ever before, and there apparently is nothing in sight to stop it. This rate cutting is, of course, largely due to increase in warehouse space beyond immediate needs. 1928 has seen an appreciable increase in warehouse space, especially in Milwaukee, and, from reports received, considerable more space will be added in 1929.

"Paradoxical as it may sound, I anticipate a slight increase in tonnage in 1929 at somewhat reduced rates on many commodities."

Minnesota

IMPROVEMENT in all three branches of the industry—household goods, merchandise and cold storage—is noted by Joseph R. Cochran, Minneapolis, president of the Minnesota Warehousemen's Association.

"Inquiries among warehousemen engaged principally in the handling of household goods show that their business was slightly better for 1928 than 1927," Mr. Cochran writes. "One member, doing commercial hauling for large Minneapolis jobbing houses, advises that his business has shown a small monthly increase, which leads him to believe that 1929 promises to be even better than 1928.

"The storage of household goods during 1928 has about held its own as compared with 1927, which I believe could be termed a normal year in this territory. In some of the warehouses the removals from storage have slightly exceeded the lots going into storage. This perhaps can be accounted for by a general reduction in rents.

"On Nov. 1 the Allied Van Lines, Inc., a national project promoted by the N. F. W. A., established a north central branch in the office of our secretary, George A. Rhame. Judging from the long distance loads matched during our first month of operation, this A. V. L. movement is going to meet with success. I am quite sure it will be instrumental in stimulating long distance moving in our district. Our local members are pleased over the prospect and feel that through the Allied Van Lines we will get back a great deal of the profit we

REVIEW AND FORECAST

Distribution and Warehousing
January, 1929

have lost through our packing department and which has gone to promiscuous haulers during the past few years.

"In regard to our merchandise warehouses I believe that a composite picture of their business would show an increase over 1927 of around 10 per cent. As to average space occupancy, I am of the opinion that our houses are better filled than they were during 1927.

"Cold storage members of our association apparently have enjoyed a year's business on a parity with that of 1927, which was considered, I believe, a good average year. They can see no reason why 1929 should not be just as good.

"There has been a marked improvement in farm conditions throughout Minnesota and the Northwest during the past year, which has helped business conditions in general and adds materially to the optimism of the Minnesota warehousemen. We feel that 1929 will be a good year."

Iowa

IOWA, primarily an agricultural State, has been "in such hard straits and so full of chaos for so long," writes J. J. Brady, Fort Dodge, president of the Iowa Warehousemen's Association, that "one rather reluctantly attempts to predict" what the future may bring forth.

"When agriculture prospers, all industry in the State prospers to the same extent," says Mr. Brady. "We are now harvesting the best corn crop as far as quality goes that we have had for the past five years, and should the market remain at its present basis or even rise a little I feel that the farmer should have more buying power during 1929, which should favorably affect all lines of industry and particularly the warehouse industry.

"The existing surplus of labor should be greatly relieved by the large paving program which Iowa will undertake in 1929, and this should reflect favorably also on business in general. This program when completely carried out will no doubt have a great effect on the warehouse business. I believe it will tend to make the warehouse the terminal it should be.

"While 1928 has not been on a par with 1927 the past few months have shown an indication to improve, which augurs well for the ensuing year.

"If I were to predict on a 'hunch' I would say that I feel that 1929 will be quite a satisfactory year for the warehousing and moving industry in Iowa."

Missouri

HOUSEHOLD goods storage executives in the Middle West "are disposed to be very optimistic and anticipate a prosperous year," according to Ellis W. Leritz, president of the Kansas City Warehousemen's Association.

"Storage conditions are about normal," Mr. Leritz reports. "While it is true that there are less goods being

stored today than several years ago, this being partly caused by the fact that so many apartments are being built which are more or less completely furnished, thereby eliminating the necessity of occupant owning any furniture, yet this produces a certain amount of storage, as a prospective tenant of these apartments often has goods to store.

"Many Kansas City warehouses are developing side-lines, such as fumigation and fur and garment storage, which all tend to increase our revenue while not greatly adding to our overhead.

"The long distance hauling problem is the most serious to be considered. No doubt we will all benefit as soon as this phase of our business becomes well stabilized. At present, due to lack of experience, our profits are more or less problematical. However, Kansas City is fast becoming a recognized center for overland moving. It is needless to say that our packing departments have suffered heavily from this source.

"General business conditions in Kansas City and vicinity are considered fair, and we cannot help but feel that 1929 will show a definite improvement over the year just closing."

Nebraska

IT is the consensus of men engaged in warehousing in Nebraska that storage "brightened considerably" during 1928, and that "indications are very favorable for the coming year," the executives "anticipating many new accounts and heavier stocks," according to W. W. Koller, Omaha, president of the Nebraska Warehouse & Transfer Association.

"The farmers in this section of the Great Missouri Valley," Mr. Koller continues, "have produced an average crop and have, for the first time in a number of years, some money that they can call their own. They are now purchasing what they had denied themselves during years they were liquidating. It is apparent that we have had prosperity but not much profit, due to competition which has been keen in every line of business.

"If we in the Central West get everything that the party in power has promised us, there should be much rejoicing in our part of the world by this time next year [1929]. Let us hope that they were not empty promises."

Colorado

THE members of the Colorado Transfer and Warehousemen's Association, writes Charles McMillan, Fort Collins, its president, "after having contested in a friendly way the laws passed by the last Legislature, which we won in the lower Courts but finally lost in the Supreme Court, voted unanimously at their last semi-annual convention to accept the laws as they now read and make application for a certificate of public necessity and convenience with the Colorado Public Utilities Commission." Mr. McMillan continues:

"While each concern will make separate application, the present plan is to have the same attorney, thus making as nearly as possible a uniform application and thereby simplifying matters for our members as well as for the Commission. Besides, we believe there will be a saving financially to our members.

"We feel that we are extremely fortunate in having men on our utility board who are trying to be fair and reasonable with those of us who are in the business as well as the public's welfare. We are hopeful that this action will tend to draw those in the business closer together and in this way overcome in many ways some of the questionable practices we have been forced to tolerate in years past.

"Our State association has recently entered into an agreement with the Allied Van Lines, Inc., which we believe will be an added asset to our members. Personally, I believe there is a new era for better business and more compensation for our services in the transfer and warehouse industry in Colorado."

Pacific Coast

THE past year on the Pacific Coast, and particularly in California, seems to have been a fairly satisfactory one, in the opinion of Clarence C. Lockett, Sacramento, president of the Pacific Coast Furniture Warehousemen's Association, and "it looks as though 1929 will find the furniture warehouse business in California pursuing the even tenor of its way." Mr. Lockett continues:

"It is true that we will not have the bugbear of a Presidential election to contend with, but to my mind we can, and have had, just as good business in Presidential years as any other years.

"There still is an uncomfortable amount of unfilled storage space in warehouses up and down the coast. This, of course, is due, in my opinion, in the first place to over-building of present demands for warehouse space, and, second, to the gradual catching up of the housing situation, and, speaking of the housing situation, I might say that in California we are 'well caught up.'

"It seems business generally—and the storage business should not be any exception—is gradually returning to an even and satisfactory keel; each year is showing conditions a little better than the year previous. I think this prediction could hold true for the next five or ten years.

"It must be borne in mind, however, that business in the present era is transacted on an entirely different plane than ever before. It, therefore, is imperative that the warehouseman of today, whether his warehouse be commercial or furniture, keep thoroughly abreast of the times by being a keen student and observer of their changing conditions. I think if this course is pursued, and with the usual good business judgment, the warehouseman of the country can

look forward to a very successful as well as satisfactory year in 1929."

California

MERLE E. TURNER, Los Angeles, president of the California Warehousemen's Association, sees in the sweeping victory of Mr. Hoover "a most important barometer of the business conditions we may expect for 1929," pointing out that the President-elect's training "leads us to believe that combinations for the development in transportation, warehousing and distribution methods will have his full support." Mr. Turner writes further:

"Business indices in California during the past two months, as reflected by bank clearings, was 7.1 per cent higher than for the corresponding period last year [1927].

"Public warehouses in this State report a percentage of 71.9 of space now occupied. This shows a large increase over the same period of 1927 for Los Angeles, Long Beach, San Diego and San Jose; smaller increases for San Francisco and Sacramento; apparently no change in Oakland or Pasadena, and some decrease in Fresno and Stockton.

"Physical volume of business, as reflected by carloads, show a 25 per cent increase over 1927.

"Final reports to date indicate that wholesale trade and distribution has continued in slightly larger volume than that of the previous year.

"Significant increases are shown for automobiles and supplies, furniture and groceries, and decreases for tires, electrical supplies, paper and stationery.

"Wholesale trade in Los Angeles, as compared with a year ago, showed decreased sales in all reporting lines except hardware; this was generally offset by increased sales in San Francisco and the central California territory.

"The present situation and outlook in a majority of the basic agricultural industries of this State show steady improvement. Trade in rice, beans, prunes, walnuts, dried fruits, canned goods, cotton and wool have all been profitable. The raisin market, however, has been depressed with poor returns.

"Many of the familiar indices reveal sharp gains over comparative periods. These undoubtedly influence the activities of our various warehousing centers. Labor is well employed at satisfactory wages. Credit is easily available for legitimate financing. Intercoastal and foreign commerce through Los Angeles harbor has continued its pace, handling this year more than 25,000,000 tons of cargo, with 7532 vessels entering the port.

"Based on the performance of the past four years, as shown by Federal census figures, industrial production in Los Angeles County for 1929 should exceed \$1,000,000,000.

"A continuation of trade and industry in California at high levels may be expected for the first quarter of 1929. Furthermore, fundamental conditions justify an optimistic outlook for the

REVIEW AND FORECAST

warehousing industry for the entire year of 1929."

San Francisco

From all indications it would appear that 1929 should be one of the most prosperous years for northern California, believes Henry F. Hiller, president of the Warehousemen's Association of the Port of San Francisco.

"The farmers have all enjoyed good crops," Mr. Hiller writes, "and the forecast now is for rain in abundance during the winter—a condition necessary properly to water the back country and for which the port of San Francisco is the outlet.

"Starting out with a favorable outlook such as this and an apparent healthy condition throughout the East, making it to the eastern manufacturers' advantage to ship us stocks of merchandise for distribution in this territory, where their buying markets should be good, I can see no reason why San Francisco warehousemen should not enjoy an increasing business both for the storage of our own farm products and for the distribution of the eastern manufacturers' wares in this territory. At least this, as a warehouse operator, would be my New Year's wish if I had the opportunity to make one."

Los Angeles

As president of the Los Angeles Warehousemen's Association, C. G. Munson believes that business will gradually improve in southern California and "be better than it has for the past three years, on account of the natural flow of new accounts into this fast growing territory which in time will reduce the considerable amount of vacant space now on the market caused by over-building during 1925 and 1926." Mr. Munson goes on:

"This over-building has been stopped by a bill passed by the last Legislature requiring that a certificate of convenience and necessity be obtained from the State Railroad Commission, under whose jurisdiction we operate as public utilities, before any new warehouses can be opened for use in cities of 150,000 population or more.

"While our community has been prosperous, our particular industry has been so over-built that we have found it hard to make any money during the past three years but are now hopeful that the coming year will bring enough new business to take up the slack and allow us all to make a profit."

Northwest

A "great improvement in business" for storage executives in the Pacific Northwest, and in Spokane in particular, is foreseen by W. E. Petty, president of the Spokane Warehousemen's Association.

"While we enjoyed a greater volume of business in 1928 over 1927," Mr. Petty continues, "the warehouse companies were able to handle all business offered and, with the present warehouses, could handle at least 50 per cent more business, so I do not look for any new

warehouses to be built during the coming year.

"The bumper crops just harvested have given this district new life, new wealth and create an optimistic feeling. The new buildings going up—which, by the way, is the largest program Spokane has seen for fifteen years—adds new life. Permits amounted to \$5,478,875 since Jan. 1, 1928. The influx of new people has shown quite a jump during the past few months.

"Some new merchandise concerns have come in, and others are inquiring. Truly, the swing of business has started for the great Northwest, and Spokane should get her share."

Canada

WAREHOUSING conditions in Canada "have been gradually improving for the past three years and at this time are much more satisfactory than for several years," according to George H. Chadwick, Winnipeg, president of the Canadian Storage & Transfermen's Association. Even with the expansion of warehouse space in both the eastern and western parts of the Dominion "most of the better class of warehouses are fairly well filled," he reports.

"It would appear," Mr. Chadwick writes, "that many manufacturers in their endeavor to supply their customers' demands for prompt delivery of goods after orders have been received find it necessary to carry stocks in close proximity to their customers, and it is far better to store their goods with reliable warehousemen who are in a position properly to protect their merchandise and to give prompt and efficient service than to own or rent buildings themselves and furnish the necessary staffs to operate them.

"It is my opinion that the better class of warehouses at distributing points if properly operated are assured of a steady and growing demand for space, and I would here express the desire to see warehousemen get together oftener for the purpose of cooperating in the way of serving their patrons efficiently and along similar lines. It is in the best interests of all engaged in warehousing to get together at least once a year for educational purposes, and I have no doubt but that everyone attending an annual convention would receive great benefit.

"It is becoming more and more apparent that the manufacturers using warehouse space must have service, and generally speaking they are willing to pay for good service when they can depend on its being given. It is desirable that there should not be a wide difference in rates quoted for space and service when conditions are in any way similar, and it is only by cooperation among the warehousemen that reasonable rates may be protected.

"The warehousing industry, especially throughout the West, has changed very much during the past few years, for the reason that there has been an

(Concluded on page 72)

I.C.C. Examiner Upholds Warehousing in Port Terminals Inquiry

Industry's Contentions Sustained with Relation to Carriers' Policy of Leasing Storage Space at Inadequate Rentals

THE railroads' practice of "leasing warehouses for inadequate rentals, especially when greater revenues could be obtained under the application of the tariff rates, is a reflection on the efficiency and economy of railroad management," while the carriers' policy of leasing storage space to some shippers at less than published rates while charging the full tariffs contemporaneously to other shippers is "prejudicial," "preferential" and smacks of rebating.

So declares Attorney-Examiner R. N. Trezise in his proposed report to the Interstate Commerce Commission in the investigation which the Commission has been conducting during the past eight years in an effort to determine—

"The reasonableness and propriety of the charges of common carriers subject to the interstate commerce Act and applicable to interstate and foreign commerce, for wharfage, handling, storage and other accessorial services [at south Atlantic, Gulf and north Atlantic ports]; and also as to the propriety of including in the rates to and from the ports the costs or charges for the above services, with a view to prescribing such reasonable and proper rules, regulations and charges as may appear to be appropriate."

Through a committee headed by Samuel G. Spear, Boston, the American Warehousemen's Association was represented, in person and through an attorney, Charles E.

Cotterill, Atlanta, at various hearings in the investigation, which was made on behalf of the Department of War and the United States Shipping Board.

The Spear committee presented testimony to support its contention that it had become the practice of the carriers to build docks and terminal facilities at the ports and then to compete for business by giving free wharfage, dockage and other free or low charges for storage and other accessorial services in order to control line-haul tonnage.

In so doing, warehousing's representatives argued, the railroads were unfairly competing with warehousemen and dock owners depending on properties alone for earnings, and thus discouraged or rendered impossible port expansion or improvement by private or municipal capital. As Mr. Spear said in one of his A. W. A. convention reports:

"Not only port warehousemen have suffered, but interior warehousemen as well, for imports and exports have been stored in great quantities on these piers for little or nothing, while the warehousemen in the interior to or from which the goods ultimately move are starving for lack of business."

The contentions advanced on behalf of the warehouse industry are now in effect upheld by Examiner Trezise in his proposed report. The latter concludes with the following recommended findings:

Terminals "Reasonably Adequate"

"1. That the rail-water terminal facilities at North Atlantic, South Atlantic and Gulf ports are not shown to be insufficient or inadequate to accommodate the export, import, coastwise and intercoastal traffic offered for movement through those ports, but, on the contrary, existing facilities are shown, on the whole, to be reasonably adequate to meet normal traffic needs.

"2. That the practice of absorbing terminal charges on traffic passing over municipal facilities and refusing to absorb on like traffic over similarly circumstanced private facilities is unduly prejudicial to the private facilities and unduly preferential of the municipal facilities.

Costs at Ports

"3. That the record in the present case is insufficient to establish that the charges on the traffic under considera-

tion are so low as to impose a burden upon other traffic.

"4. That the accessorial or terminal costs prepared under a uniform formula as shown on this record at north Atlantic ports is sufficient upon which to compare the average costs at the north Atlantic ports, but with consideration to be given to the fact that those costs are relatively higher for comparative purposes at ports where the facilities are used only to a limited extent than at ports where the facilities are used extensively.

"5. That the accessorial or terminal costs as shown on this record at South Atlantic and Gulf ports prepared upon varying formula are not comparable with other port costs shown on this record.

Leasing Practices

"6. That the record does not warrant the prescription of a tariff rule requiring

the accessorial or terminal charges to be stated separately from the line-haul rates on export, import, coastwise, and intercoastal traffic to and from Atlantic and Gulf ports.

"7. That the practice of leasing warehouses, or portions thereof, to large shippers for periods of less than a year, covering a storage season, at charges less than those named in the published tariffs, while contemporaneously charging the tariff rates to other shippers for a like service, is unduly prejudicial to small shippers and unduly preferential to the larger shippers, and is in the nature of a rebate to the larger shippers.

"8. That the practice of leasing warehouses for inadequate rentals, especially when greater revenues could be obtained under the application of the tariff rates, is a reflection on the efficiency and economy of the railroad management."

The proceeding was instituted by order of the Commission dated April 9,

1921, and following hearings at various south Atlantic and Gulf ports the scope of the inquiry was in 1924 broadened to north Atlantic ports, resulting in further hearings, together with others at southern ports.

In March, 1921, the Secretary of War submitted to the I. C. C. a report of its chief of engineers. The substance of this was that the World War has resulted in a large fleet of commercial vessels seeking to operate in competition with commercial rivals; that the railroads were unable to provide costly piers to reduce the time in the ports; that the railroads' charges at south Atlantic and Gulf ports equaled about one-fourth of the cost of the accessory services; that private terminals could not operate at such low charges in competition with the rail carriers; that inadequate and inefficient facilities afforded by the railroads at those ports restricted shippers of import and export traffic. Other issues were raised but the foregoing were the dominant ones.

Examiner Trezise continues:

"Apparently the purpose of that report was to carry out the duties of the War Department and to seek the aid of the Commission in bringing about the remedies necessary to conform the port situation to the policy declared by the Congress of promoting, encouraging and developing water transportation facilities in connection with the commerce of the United States. Section 500 of the Transportation Act, 1920, after declaring it to be the policy of Congress to promote, encourage and develop water transportation, service and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation, provides that it shall be the duty of the Secretary of War to—investigate the subject of water terminals, both for inland waterway traffic and for through traffic by water and rail, including the necessary docks, warehouses, apparatus, equipment and appliances in connection therewith, and also railroad spurs and switches connecting with such terminals, with a view to devising the types most appropriate for different locations, and for the more expeditious and economical transfer of passengers and property between carriers by water and carriers by rail."

"Section 8 of the Merchant Marine Act authorizes the Shipping Board, in cooperation with the Secretary of War, to make somewhat similar investigations with the object of promoting, encouraging, and developing ports and transportation facilities in connection with water commerce over which it has jurisdiction.

"At the time the Secretary of War made the report to the Commission no members of the Shipping Board had yet been appointed and that Board submitted no findings to the Commission.

"The Secretary of War analyzes the River and Harbor Act of March 2, 1919, to mean that Congress expects that localities receiving benefit from river and harbor improvements at the expense of the United States will provide municipal

PORT TERMINALS INQUIRY

or other public terminal facilities to handle traffic. To attract business, however, these public terminals, and also the privately-owned terminals open to the general public, must be able to offer service at rates comparable to those offered by the railroad terminals.

Cost Exceeds Terminal Charges

"The Secretary of War reported that the terminal charges of the railroads rarely cover the cost of the service, but that they are able to recoup these losses from the revenue received from the line-haul rates; that where the business passes over a private or municipal terminal, however, there is no opportunity to make good the losses involved in meeting railroad terminal charges; and that naturally the privately-owned terminals must be able to realize a reasonable return on the capital invested to continue in business.

"He further stated that the fact that the privately-owned and municipal terminals are unable to charge relatively more than the railroads for the use of such facilities has resulted in discouraging the establishment of adequate terminals, and consequently in diminishing the facilities for interchange of traffic which are so essential to the development of commerce.

"This statute, last quoted, may appear relatively unimportant so far as the powers of the Commission are concerned, but the evidence as later referred to herein shows that public-warehouse men and dock owners are insisting that the Commission use its good offices to require the railroads to increase their accessory or port-terminal charges more nearly to approximate the storage and handling charges of private enterprises of this character.

"The Secretary of War, in transmitting the report of his Chief of Engineers to the Commission, recited that the necessities of war had at that time provided this country with a large fleet of commercial vessels which should be operated in competition with our maritime and commercial rivals; that vessels while in port were under heavy expense and that efficient and economical operation of our commercial fleet necessitated reduction to a minimum of the time spent in ports; that our railroads were financially unable to provide the 'costly wide piers and expensive mechanical equipment' necessary to the greatest operating economy, and that their charges for port terminal services at south Atlantic and Gulf ports represented but from one-fourth to one-half of the actual cost of the services; that because of the low railroad charges then existing private terminals could not profitably compete with railroad terminals; that private and municipal capital could not be induced to provide modern terminals; and that the existence at certain ports of inadequate and inefficient facilities unduly restricted shippers in the routing of their traffic.

"The view was then expressed that the terminal tariffs of the railroads should be amended by increasing the

accessorial charges to afford an opportunity to all concerned to provide needed facilities with reasonable prospect of profit. It was upon these representations that the Commission instituted this proceeding for the purpose of remedying any situations that may be in violation of the interstate commerce Act."

As illustrative of the character of general principles for consideration in connection with the north Atlantic hearings in 1927 and south Atlantic and Gulf hearings in 1928, are, Examiner Trezise holds, are such issues as—

"Whether the segregation of the accessory or terminal charges from the line-haul charges as a uniform method of stating rates at all ports would result in improved physical facilities for the interchange of rail and ocean-borne traffic, or whether greater traffic freedom would be secured under rates that include all the terminal or accessory charges." He continues:

"No issue is directly presented as to the equalization of the line-haul rates to and from the ports on foreign or coastwise traffic, although the segregation of the charges beyond those for the rail service to the port from the charge for the rail service would, no doubt, vitally affect the whole differential relationship, especially to and from north Atlantic ports.

"A general summary of the rail-water terminal facilities owned or operated by the railroads at the various Atlantic and Gulf ports has been prepared by the carriers and presented as exhibits in this proceeding.

"The record fully establishes the fact that the facilities at the ports are generally adequate, and at some of the ports, as at Jacksonville, Fla., are in disuse because of the more modern municipal facilities that are available to the public.

"The record fails to establish that the rail-water terminal facilities at the various ports under consideration have restricted the development of the port terminals, or the flow of foreign commerce. The rail-water terminal facilities at these ports appear adequate to meet the flow of traffic.

Cost of Services

"The Shipping Board manifested an interest in determining the cost of the terminal or accessory services at the ports beyond the rail service to or from the ports, and submitted to the Commission a list of questions for the carriers to answer relating to the costs, facilities, operation and general practices at the ports.

"Those questions were compiled in the form of questionnaires, one of which was served upon the carriers at north Atlantic ports and another upon the carriers at south Atlantic and Gulf ports. The two questionnaires were in substance identical and the questions propounded were as definite as possible.

"Quoting from the questionnaire:

"The words 'Terminal Charges' as herein used refer to charges, excluding

(Concluded on page 84)

DISTRIBUTION

Its Economic Relation to Public Warehousing

Number 46

Selling Goods in Canada. The Warehouse as a Factor in Assembling Goods on Dominion Side of Border.

By H. A. HARING

CANADA and the United States are good customers of each other. Each year we sell to them nearly a billion dollars in goods and they sell to us half that amount. The difference in the goods themselves is that what they ship to us is largely raw material from the farms and forests, while what we ship to them is principally manufactured goods.

It is in this difference of the commodity that we find the item of most significance in our Canadian trade. We ship them the products of our factories; they ship us the products of their farms. The farms cannot be moved. The factories can.

And they are. In fifteen years American factories in Canada have multiplied ten times in value, until, at the present time, about \$4,000,000,000 of United States capital

is invested in branch plants north of the international border. The product of these factories is essentially American goods sold into Canada, because the factory putput is American owned, "American style," and the profits in the end flow to the United States.

More than 1400 American manufacturing concerns have established plants in Canada. In addition to all other reasons for so doing—reasons that make striking statistical showings—the great fact remains that Canada has a considerable population born in the United States. Probably one-sixth of Canada's people came from "the States." They give to Canada—except in Quebec—a flavor that is distinctly American. They prefer American goods, favor American ways, and feel more comfortable in American clothes.

The Home Booster

IN every foreign land American firms face the situation of the "home booster." Our best customers abroad are yielding to the din of exaggerated rotary clubs, boosting home industries, urging the consumption of home-made goods. They have followed the American idea of a slogan to popularize this thought, such as "Buy British Goods."

England is the most active in carrying on propaganda of this sort, followed closely by Canada and Australia, and in each of those countries the foreign-owned factories with branches in the local country are the noisiest boosters for home industries.

Mr. Ford's factory at Manchester, England, for instance, has for some years advertised the fact that the "English-made Ford" consists 90 per cent of English material and labor, and, furthermore, allows it to be known that American-made supplies will not be purchased for that factory if English-made goods are available.

The Empire Marketing Board in England is spending \$5,000,000 each year for publicity work of this nature. The entire British Empire is looking forward to the day when greater economic solidarity will be achieved—they, in this particular, being envious of the wonderful independence of the United States, which is the most self-sufficient nation.

Canada and Australia, after many years of disagreement in politics, have recently entered into a mutual trade agreement which has already put some American products out of the Australian market, developing, in their place, Canadian-made goods; and, as "Canadian-made," there are included products of American concerns manufactured north of the international boundary.

British West Indies (which lie a thousand miles nearer the United States than Canada) have concluded a similar agreement with Canada, with like results.

All these home booster schemes show distinctly one trend: trade discriminates

against goods bearing a foreign label.

"Made in Germany" is a great trade disadvantage over most of the world, for any article that may also be made at home.

"Made in the U. S. A." often brings a similar handicap in selling staples not only in Canada but throughout the British Empire—the greatest economic unit on earth, buying more and selling more than any other federation of countries.

In other words, the American manufacturer who establishes a Canadian branch is permitted to brand his goods "Made in Canada," and that label entitles him to share the market of Canada and also the infinitely greater market that reaches one-third of the population of the globe.

These tendencies to boost home-made goods have given, therefore, a renewed impetus for American factories to establish Canadian branches.

This statement is true, even remem-
(Continued on page 34)

Coming ~ ~ During 1929

Further Authoritative Articles by H. A. Haring

DURING the past few years *Distribution and Warehousing*'s contributing editor, H. A. Haring, has become nationally known as a constructive and dependable writer on subjects associated with distribution through the public warehouse.

The benefits accruing to sales and traffic managers, and to storage executives, are not by reason of his articles in *Distribution and Warehousing* alone. Informative texts serving to acquaint Business America with this industry's strategically economic position in the country's scheme of distribution are constantly appearing, under Mr. Haring's own name or one of his several *nom de plume*, in various business journals. He is a prolific writer whose thoughts and comments about warehousing are contributing in a significant way to the welfare of the distribution world. A timely example of what Mr. Haring is doing along this line is his "Field Warehousing—A Modern Means of Financing the Factory," which appeared in the December issue of *Magazine of Business*.

In view of the importance of these writings of Mr. Haring, inaugurated in *Distribution and Warehousing* about four years ago, it is believed that our readers will be interested to know that this recognized authority on the industry will continue as this journal's contributing editor throughout 1929.

Article No. 46 of Mr. Haring's "Distribution. Its Economic Relation to Public Warehousing" series appears in the current January number. The subjects of his texts to be published in issues to come, although not necessarily in the order as here set down, are as follows:

Barge Lines in the United States. Their Use in Relation to Freight Charges.

Container Cars in Freight Forwarding.

Where Does the Wholesaler Make His Profits? How Warehousing Fits Into This Picture.

Higher Freight Rates Are Decentralizing Our Manufacturing. The Effect on Spot Stocks.

The Simplified Calendar in Distribution. The Calendar May Never Be "Reformed" But the Thirteen-Months Period Is Upon Us In Distribution.

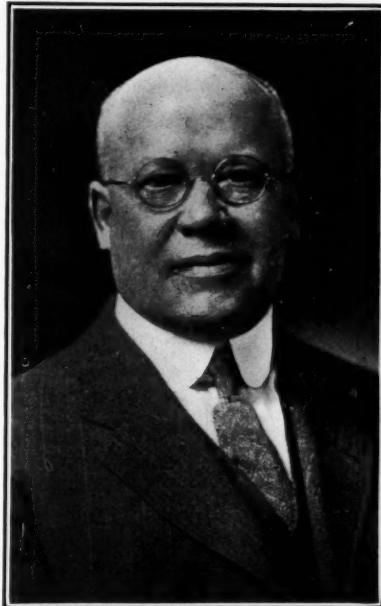
The Importance of Climate and Weather In Consumption of Manufactured Goods.

If the Mississippi Flowed North, What Changes Would Come Into Our Distribution? Will They Occur When the Government Turns the River Into a "Second Panama Canal"?

Field Warehousing. The Developments in 1929.

Taxation of Goods In Distribution.

Packing Goods to Ship. How to Correct Present Practices. How to Thwart the Pilferer.



Mr. Haring

Developing New Business

THE thirty-eighth article of Mr. Haring's "New Business for Warehouses" series begins on page 50 of this January issue. These texts, too, will be continued during the year just commenced. Many a timely tip leading to fresh accounts and good profits has been picked up by the storage executive from these articles since publication of the series was begun several years ago. As in his "Distribution" writings, Mr. Haring presents *facts* gleaned through careful investigation, and many warehousemen look upon these "New Business" articles as constituting one of this magazine's most helpful editorial features.

DISRIBUION

Its Economic Relation to Public Warehousing

bearing that Canada's population is less than that of New York State, her wealth infinitely less than ours, and the *per capita* buying power only a fraction of ours. Australia, too, and other British possessions, while teeming with peoples, offer a very restricted buying power measured by American standards. Yet the total of these markets constitutes the "export" market for American products to a large extent.

Any trend, accordingly, that discriminates against American-made goods merits investigation. For that reason Canadian plants of American factories never had quite the significance that has today come to them.

Canadian Branches Profitable

RIDICULOUS attempts have been made to establish Canadian plants. During war reconstruction hundreds were led to rush into Canada, because of the currency depreciation of that country and Europe. The plants were ill advised. Today they stand idle, all the way from the three-million plant of Libbey-Owens Glass Co. at Hamilton down to the ten-thousand plant of a hundred concerns. Such undertakings, being economically unsound, became inevitably a loss.

But the president of the Fuller Brush Co. (Everett R. Smith) has said: "Yes, we must make our brushes in Canada for the Canadian market. We can not climb over a 35 per cent tariff wall."

Henry Ford has invested \$50,000,000 or \$60,000,000 in Canada; International Harvester employs 3,500 people there; General Motors is adding several millions a year in additions to its Canadian plants, where are manufactured automobiles for Canada and for more than a dozen British countries.

R. L. Wright, vice-president of the Wahl Company, believes that branch plants are warranted whenever the Canadian tariff is unduly hostile to a product or wherever the manufacturer covets an export trade to British possessions.

The president of Willys-Overland of Canada has been quoted as saying:

"The advantage of exporting to British preferential countries would be a determining factor in a decision to come to Canada with a plant."

Preferential Tariffs

THE British "preferential tariff" allows importation of goods into any "British" country on a preferred basis—usually without customs levy. A shipment from Canada, under this agreement, would enter England or its possessions duty-free, while a similar shipment from the United States would be levied at full tariff.

This preferential tariff applies to goods produced in any country of the British dominions all over the world, provided that the manufactured article shall be *bona fide* the product of a "British" country, entitled to the benefits of the tariff, and provided that a substantial portion of the value of the manufactured article shall have been produced by labor or supplied from one or more of those countries.

For goods manufactured in Canada, the British Preferential Tariff applies to the following countries:

Ascension Islands
Australia
Barbados
Basutoland
Bechuanaland Protectorate
Bermuda
British East Africa
British Guiana
British Honduras
British India
British North Borneo
British West Indies (including Bahamas, Jamaica, Turks Island and Caicos Island)
Brunei
Ceylon
Falkland Islands
Federated Malay States
Fiji
Friendly Islands
Gambia
Gold Coast
Irish Free State
Leeward Islands (Antigua, St. Christopher, Nevis, Dominica, Montserrat)
Mauritius and dependencies
New Zealand
Nigeria (Northern Protectorate)
Nigeria (Southern Protectorate and Colony)
Nyasaland Protectorate
Southern Rhodesia
Sarawak
Samoa (Western)
Seychelles
Sierra Leone
Somaliland Protectorate
St. Helena
Straits Settlements
Swaziland
Tobago
Tonga Islands
Trinidad
Uganda
Union of South Africa
United Kingdom
Virgin Islands (British)
Windward Islands (Grenada, St. Vincent, St. Lucia)
Any other British possession or colony which may hereafter be admitted to the benefits of the British preferential tariff.

In addition to the British preferential tariff, Canada in 1922 concluded a trade treaty with France under the terms of which goods from Canada are admitted to another group of countries on a preferential basis—although the "preference" is not quite equal to that of the British tariffs. Although the rates under the French treaty are not quite so favorable as those under the British, manufactured goods from Canada do yet enter France and its possessions at a much lower customs levy than the same goods would receive if they had come from the United States.

In this manner United States manufacturers ship from their Canadian branches to France and its possessions, just as they do to England and British possessions, rather than from their American home factories.

Such exports as are shipped from the American plants go to countries other than those of the British and French preferential groups.

Under the French treaty the following countries grant favorable tariff rates to goods coming from Canada:

Argentina
Belgium, Luxemburg and Belgian colonies
Colombia
Denmark
France
France's Colonies, possessions and protectorates
Italy, her colonies and possessions
Japan
Netherlands
Newfoundland
Norway
Russia
Sweden
Switzerland
Venezuela

Canadian Tariff Refunds

NOT content with these preferential bases, Canada has a third method of favoring home industries. Her "drawback" feature is a direct bid for manufacturing in Canada.

For any article—raw material, semi-processed or completely fabricated—on which duty has been paid as it enters Canada, a refund, or "drawback," is granted if that article is used, in Canada, for further manufacture. The drawback is sometimes 99 per cent of the original duty paid, at other times it is 100 per cent; in any case, it is, for practical purposes, a complete refund.

The drawback is conditioned, however, on the proviso that "at least 50 per cent of the cost of the finished product shall have been incurred in Canada" (this was 40 per cent until 1927).

The Canadian automobile plants, under this provision, import from the United States many of the accessories and parts for their cars, merely assembling these parts into cars under the Canadian flag.

For the American-owned plant in Canada the drawback is highly important.

Without taking time to discuss the reasons, we will state that for Canadian plants labor costs are higher than in the United States. Canada, too, has not developed mass production, with labor-saving machinery, and many reasons exist (in climate, fuel costs, non-industrial population, etc.) why manufacturing costs may never be as low as in the United States.

The drawback provision enables the American manufacturer to fabricate in this country the more intricate parts and assemble them into the completed article in Canada. At the same time the duty is saved. Under customs practice of all countries, the value for customs declaration may be the bare manufacturing cost in the United States, for such articles. It may be less than

DISTRIBUTION

Its Economic Relation to Public Warehousing

the wholesale price, provided of course the invoice from American to Canadian plant be made to correspond—a thing easy to accomplish, inasmuch as both plants are owned by the same interests.

Under the drawback provisions nearly all steel and steel materials are duty-free. For those upon which a duty is levied, a 99 per cent drawback is granted. Thus the sheet steel for an automobile body may be imported into Canada free, there to be shaped for the body. Were the fabricated body imported, the duty would be 27½ per cent.

Steel for saws may be tempered and cut to shape in the United States and imported into Canada, free of duty. If the edges are indented, the duty becomes 30 per cent—which is also the duty for finished saws. Similarly, steel for axes and other tools is free so long as the final processing be not done. Thus a duty of 30 per cent is saved through the simple device of having a Canadian branch—to which the semi-finished material is shipped—where the finishing is done, handles attached, painting done, crating and packing performed, etc.

Guns, rifles, ammunition, etc., bear a duty of about 30 per cent. But the duty is only 10 per cent for iron and steel castings for gun barrels and other gun parts "for use only in the manufacture of such articles in their own factories" within Canada.

Umbrellas are dutiable at 35 per cent. But umbrella sticks, complete even to the polish, may be imported for 15 per cent; all other parts of umbrellas are duty-free.

Pianos, organs, phonographs, radios, phonograph records and cylinders, bear a 30 per cent duty. But any and all parts for these goods, completely fabricated and ready to assemble, are duty-free "when imported by the manufacturer for use exclusively in the manufacture of such articles in their own factories" in Canada.

Compressed yeast in bulk or in masses of not less than 50 pounds are dutiable at 3 cents per pound. In small cakes, ready for retailing, the duty is 6 cents. One-half the duty may thus be saved by importing in bulk and re-packaging in Canada.

The same with salt, for which the duty is 7½ cents per 100 pounds when imported in bags, barrels or greater bulk, but 15 cents per 100 pounds when packaged as table salt.

These drawback provisions offer a wide field for ingenuity in cutting costs. They benefit the maker of goods to be sold for Canadian domestic consumption and they benefit equally the manufacturer who wishes to re-export to countries favored under either one of the preferential treaties.

The drawback is an opportunity to study manufacturing methods closely for each product in order to separate those items that may be manufactured in America and merely assembled in Canada, leaving for Canadian manufacture the parts of the completed product that can be as cheaply made there as here.

In this analysis, most manufacturers have taken into account the freight item.

Phonograph makers, as one illustration, ship into Canada the delicate machinery parts. Within Canada they manufacture the cabinets, do the polishing, etc.

Radio makers follow this same plan.

Manufacturers of cash registers and typewriters ship into Canada the small parts for assembly, but make within

the United States. They must, because of the customs duty borne by the goods.

Warehouse Assembly

NO reason exists why the American manufacturer requires, in all cases, a building of his own in order to benefit through the Canadian tariff. Large plants have of course no choice—automobiles, glassware, machinery, clothing, wood working and a host of others.

A manufacturer, however, can make an inexpensive beginning by utilizing a modern warehouse as an "incubator." The Canadian conditions may be tried out, as it were, by leasing space from a warehouse, on the usual basis of flat rental, within which light manufacturing and assembling of goods can be done.

The methods of the manufacturing districts of Chicago and Los Angeles might be duplicated in Canadian cities, or a replica, in miniature, of the manufacturing and assembling work in the Brooklyn waterfront warehouses.

When to Make the Attempt

WE would not be so rash as to recommend a Canadian branch for every manufacturer. Individual studies must be made to determine the need of such a plant, to examine the tariff preferences and the Canadian drawbacks for each commodity. All this must be weighed with reference to costs of production, disadvantages or advantages of fabricating within Canada, etc.

So far as present developments have gone, assembly plants are most commonly the means to the desired end. Few concerns have undertaken complete manufacture, from raw material to finished goods, in Canada. It is for this reason that "incubator" plants in warehouses are so often the first step.

One specialist in the financial world of Canada, Floyd S. Chalmers, has thus summarized the question "When to build a branch plant in Canada?" He suggests that "it becomes profitable for the American to buy or erect a plant in Canada and set up a strictly Canadian sales organization when he reaches any of the following mile-stones" in the development of his Canadian trade:

"When his sales in Canada reach the point that production of the necessary amount of goods can profitably be concentrated in one plant;

"When he finds that his attempts to get into the 450,000,000 market of the British Empire is being hampered by tariffs that are more favorable to British manufacturers in Canada and to other British manufacturers than to American manufacturers;

"When he determines that the Canadian or British people are showing a consumer's preference to British manu-

(Concluded on page 82)

Over-Expansion of Space Indicated by Insurance Company Survey

**Report Made Public by Metropolitan Assumes, However,
That Inefficiently Operated Warehousing Organizations
Will in Time Be Eliminated**

INDICATION that there is "considerable over-development in the public warehouse field" at this time is set forth in the report of a survey recently completed by the Policyholders Service Bureau of the Metropolitan Life Insurance Company, New York. Published under the title "Development of Public Warehouse Business," the findings are based in part on interviews with leaders in the industry.

Regarding over-expansion the document says that "it is assumed" that storage organizations inefficiently and unprofitably managed will in time be eliminated but that meanwhile they are a demoralizing influence.

"The survey did not develop any outstandingly effective methods for increasing the extent of utilization of available public warehouse facilities," the report says in part. "It did result in the collection of considerable informative material on this subject, however.

"It would appear from the replies received that public warehouses in all sections of the country are experiencing a condition of surplus facilities. A certain reserve in the form of available excess space and facilities is of course inevitable in offering service of this kind. Our investigation would seem to indicate, however, that there is at the present time considerable over-development in the public warehouse field.

"According to the figures issued by the United States Department of Commerce, warehouses were occupied to only approximately 69 per cent of capacity in May of this year [1928]. Practical warehouse men interviewed seemed inclined to explain this condition as due in part to the indiscriminate expansion that has taken place in this field without an adequate preliminary analysis of the volume of business available.

"This natural result of such over-development has been increasingly severe competition for the business available in each locality, with price cutting as the inevitable sequel. It may be assumed that the inefficiently and unprof-

itably managed organizations will be eliminated in due course but, during their existence, they undoubtedly exert a demoralizing influence on available business in general. This situation has been advanced by several of the warehousemen approached as the principal cause of the present unused warehouse facilities.

have had to develop a legitimate trucking business on the side in order to justify their activities and to allay suspicion. This business is often conducted on a low margin or even at a loss in order to keep the equipment on the roads. This, of course, is disastrous competition."

Effects of 18th Amendment

"In commenting on this point, one executive interviewed offered an interesting explanation. It is his contention that the 18th amendment has been largely responsible for the present situa-

THE accompanying text quotes at length from "Development of Public Warehouse Business," which is the report of a survey of this subject as made by a wholly disinterested agency—the Policyholders Service Bureau of the Metropolitan Life Insurance Company.

The facts and comments set forth in the report will bear careful reading by the public warehouse executive. Out of them he may be able to get a few good pointers for developing new business—and in this day of keen competition and space surplus the men engaged in warehousing are not overlooking any suggestions along that line.

tion in the warehouse field. He states that many brewers have converted their facilities for public warehouse purposes, which has materially increased the available storage space, especially in certain sections of the country.

"On the same point, it is his further contention that the trucking end of the business has also been directly affected, due to the fact that those engaged in illegal transportation of alcohol, etc.,

Developing Service

Through consolidations or combinations the industry has undertaken "to overcome the present conditions of over-expansion," the report says, explaining:

"Generally speaking, these have been of two kinds. One is by the actual consolidation or merger of a number of warehouses to form a chain organization with centralized ownership and centralized management control. Apparently these combines have found certain economies possible in the reduction of operating expenses through such a merger.

"The second is by the combination or association of independent warehouse companies under a working arrangement for sales and service purposes primarily. Under this arrangement the individual companies do not lose their identity but simply merge their interests for the solicitation of business on a co-operative basis. There are several such organizations in operation. The advantages claimed for this form of organization are principally along selling lines. By such a grouping of warehouse facilities, selected so as strategically to cover the country from a distribution standpoint, these organizations are in a position to offer a more complete distribution service to manufacturers and wholesalers marketing their goods nationally. Through the pooling of interests it has been found possible to secure the services of a well trained selling staff. Co-operative advertising represents another advantage of such an organization."

Distribution Service, Inc., is cited as "a typical example," and the report outlines briefly the services offered by "DSInc."

Service was stressed as "the necessary requirement for business expansion" in all the replies received from persons interviewed, the report continues, and "apparently more and better service to customers is the biggest factor in any business development program."

The report quotes at length from the warehousing and distribution brochure prepared several years ago by A. Lane Crichter of the United States Department of Commerce and published at the time in *Distribution and Warehousing*. Also it reprints, from the Government's "The Merchandise Warehouse in Distribution" booklet, the ten features of service of the merchandise warehouse.

Household Goods

Treating household goods warehousing, the report quotes "an executive of a middle western organization" as follows:

"Our analysis of the situation is simply that which can be applied to any number of other lines—a period of expansion to take care of the demands of an abnormal period in American business life and a consequent suffering after the settling down to a normal basis.

"On the whole, the class of men engaged in this business who have attained any degree of success will compare favorably with those of any other line of endeavor, and long since, the forward-looking members of the fraternity have realized that some steps in addition to a reduction in the overhead would be necessary to meet the changing situation.

"The possibilities of increasing volume in the storage of household goods through creating a desire on the part of the public for this service are very limited.

"Education of the public through advertising and propaganda helps some but not any way on a comparative basis with most mercantile lines.

"In a number of cities an attempt has been made to solve the problem through the consolidation of competing companies. Practically the only hope from this is a reduction in the overhead. Aside from this, other attempts are being made to solve the problem through reaching out into new fields and sometimes encroaching on the business of other established concerns through the establishing of departments in competition with them.

"One field of endeavor which has opened up to us an increased volume in one department on a much larger scale than the reduction of volume in another department is the hauling of goods by truck over long distances, supplanting the former method of packing and shipping by freight. The warehouseman of course receives considerably more revenue from a job handled by motor truck than he would from the packing and shipping of a like amount of goods. The question of net profit on this work, however, without taking into consideration increased volume, is very much in doubt.

SPACE OVER-EXPANSION

"Another new departure is the fumigation and mothproofing of many articles found in the average home which are subject to the attack of moths and bugs. The storage of ordinary garments at a very moderate seasonal charge also opens up a wide field for us. This is a business which is new. Valuable fur garments have been stored for years, and the warehouseman is also admirably situated to take care of this work, in the light of recent development in mothproofing lines, without the necessity of providing cold storage space.

"A number of warehousemen are opening up furniture sales rooms featuring particularly used household goods and, in some cases, discarded patterns which can be purchased and sold at a price.

"Another field which is being cultivated is the selling of business concerns, who use their own trucks, to the fact that the commercial truckman can in some cases handle this business more satisfactorily and at a lower cost than that business can afford to operate its own equipment."

Zone Selling

The tendency to hand-to-mouth buying, the report states, "has apparently brought with it certain opportunities" for the public warehouses, some of which are "developing the idea of zone selling by manufacturers and wholesale distributors." To quote:

"A preliminary step in the development of this business, it was explained by one warehouseman, is the careful and scientific analysis of freight rates. For any one locality it is important to determine the relative carload and l. c. l. freight rates for different commodities and different shipping points. Some cities are so situated as to occupy a particularly favorable position from this standpoint. Where the freight rate is favorable manufacturers can be sold on the advantage of shipping to a strategic point in carload lots for break-up and redistribution within a certain territory. The saving in the freight rate will frequently more than cover the warehouse and handling costs.

"This principle of zone selling and freight rate analysis has been employed effectively by mail order houses. As an illustration, this type of distributors has a serious problem in the form of merchandise rejected and returned for credit. Frequently this is bulky and represents expensive transportation. Some of these companies have made use of the services of public warehouses to collect and accumulate such rejected merchandise. Two alternative methods are then employed. Either the goods may be accumulated in the warehouse for return shipment to the company in carload lots or arrangements may be made for the warehouse company to recondition and dispose of the goods locally.

"Another new business suggestion developed was along the line of storing special runs of print paper. The point

is made that paper manufacturers hesitate to accept special run orders unless they are in sufficient quantities to cover the customer's requirements for a considerable period. This is due to the difficulty in matching the texture on re-runs of special orders. This therefore presents a storage problem to the consumer of such special run lots.

"Another instance was developed of a warehouse operator who made it a practice to contact the local freight yards and to check up on merchandise held there for storage. In view of the high storage rate charged he was frequently able to convince the consignee on the economy of carrying such merchandise in a public warehouse in preference to having it held in freight storage.

"In considering all these suggestions, however, the relative profitability of such business should be carefully considered."

Advertising and Publicity

The report alludes to types of advertising and publicity selected by certain companies—such as newspaper, billboard, motion picture and magazine advertising by the Gordon Warehouse & Van Co., Omaha, and newspaper, symphony concert program and customer-quotation advertising and publicity by the Security Storage Co., Washington, D. C.

Regarding direct mail effort, one warehouse executive is stated to have suggested careful selection of names, the report saying:

"It is his contention that warehouse companies should solicit those industries which offer the most promising prospects. As an illustration, he mentioned the fact that freight rates on candy had recently been increased. His reaction to this was that candy manufacturers should now be logical subjects for solicitation."

To Use Government Ships for Grain Storage

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

BECAUSE the railroads at the Port of Baltimore can't find adequate storage facilities for grain there, the United States Shipping Board is going to get at least \$4,500 a month for at least six months.

This became apparent recently when the Board announced that it had decided to grant the use of twenty cargo vessels now tied up in the James River for the purpose of storing grain in Baltimore Harbor for the next six to twelve months. A minimum of five vessels will be used at a rental of \$4,500 a month, with additional charges ranging from \$340 a month to \$250 a month per ship for all vessels used above that number.

"The vessels thus brought into service," remarks the Board in passing, "are not now in use for any other purposes."

—R. S.

No. 60

Milo W. Bekins

By ELIZABETH FORMAN

Success Story

Let's Take the Family



In oval, Milo W. Bekins, president of the Bekins Van & Storage Co., operating household goods depositories in various Pacific Coast cities.

Left, main Bekins warehouse in its garden setting in Los Angeles.

At top, an earlier Bekins plant, showing some of the company's horse-drawn vehicles.



PIONEER blood, forging ever on toward the setting sun with the vanguard of civilization. From such stock sprang the house of Bekins, said to be the largest organization of its kind in the world.

The Bekins Van & Storage Co., of which Milo W. Bekins is president, has more than a dozen household goods depositories in California and nearly a thousand affiliations throughout the world. Its main office is at 1335 South Figueroa Street in Los Angeles. (An Oriental restaurateur a few squares away had the right idea about pronunciation when he christened his chop house the "Figger O" Cafe.)

Back in Lincoln, Neb., a good many years ago, a young man worked for the Carter Coal & Feed Co. He put in long hours and drew small pay but he was able to supplement his earnings now and then by lending a hand to neighbors moving from one house to another. There were no padded vans in those days, so people frequently called on the coal seller with his wagon and team.

At the end of four or five years the young man decided to move, himself, to another city where he could go into business independently.

Thus began the evolution of what is today one of the

world's leading household goods warehousing concerns.

The Bekins company was founded in Sioux City, Iowa, about 1887 by Martin Bekins, father of Milo. The elder Bekins had six brothers, four of whom later joined him in the storage business and two of whom were left in charge of the plant in Sioux City when the founder went on to Omaha. Moving was the main branch of the industry in those days and the warehouse itself was very small.

In 1894 the business in Omaha was sold to a third brother, and Martin Bekins moved to California after looking over New Orleans and various other places in the South for a desirable location. Sacramento, centrally located and the State capital as well, was California's most prosperous city in that era, but Mr. Bekins decided that Los Angeles had the best future. No one in the West knew much of household moving as a trade at that early date, and the first Bekins vans were built in the East and shipped to California, where the new firm began at once to specialize in storing and transporting the people's lares and penates.

Gradual developments in the warehousing industry soon brought the Bekins firm a branch in Sacramento. By the

(Concluded on page 74)

ss Stories

Album Out of Storage!

No. 61

Philip L. Gerhardt

By ELIZABETH FORMAN



In oval, Philip L. Gerhardt, vice-president of the Bush Terminal Co., New York
Photo by Underwood & Underwood

Below, the Bush enterprise along the Brooklyn waterfront

Left, scene, thirty years ago, at location shown below



Above, night scene of the Bush Sales Building on 42nd Street near Broadway, New York City



Above, Bush House in London



Above, 100 Broad Street, executive offices of the Bush company, in New York City

BOYHOOD dreams came true very early in life for Col. Philip L. Gerhardt, today vice-president of the Bush Terminal Co., New York City.

As a school child of ten or thereabouts in his natal city, New York, he was seized with a serious attack of pneumonia. This abated, leaving him so ill and weak that he was supposed to be contracting tuberculosis, and

he was shipped summarily to his grandfather's ranch in Kansas.

The boy's maternal grandparents were pioneers in that part of the country, having migrated there in 1878. Besides their ranching interests they owned concessions in Pawnee Bill's Wild West Show. This was the successor

(Concluded on page 76)

Warehouses Were 66.5 % Occupied in October, Against 66.1 % in September

Department of Commerce Statistics Show Slight Gain for Tenth Month. Stocks Increased 115,776 Tons and Larger Percentage Went Into Storage

By KENT B. STILES

AGAIN of four-tenths of one per cent in occupancy of available space in merchandise warehouses at the end of October, as compared with the last day of September, is shown by Department of Commerce figures which, made public on Dec. 18, were issued at Washington for the two months—revised totals for September and tentative ones for October.

Reports received from 1210 warehouses indicated that 66.1 per cent of the space being used for public storage was filled at the close of September—35,826,000 square feet out of the available 54,172,000 square feet. On Oct. 31, according to information supplied by 1211 warehouses, the occupancy was 66.5 per cent, representing 35,748,000 square feet filled of the usable 53,759,000 square feet.

The figures received by the Government and published on these two facing pages, show that 115,776 more tons of goods reached the 1211 warehouses which reported for October than was received by the 1210 plants during September. They indicate also that the volume which actually went into storage in October was greater, by 2.6 per cent, than that which went into storage during September. In October, 751,300 tons arrived, of which 73.5 per cent—or 552,405 tons—went into the occupiable space. In September, 635,524 tons reached the reporting warehouses, and, of this volume, 70.9 per cent—or 450,554 tons—went into storage.

Occupancy

THE slight gain in percentage of occupiable space at the end of October, as compared with the final day of September, was reflected in all but two of the nine divisions into which the country is divided for the purposes of these statistics.

The two divisions where a decline is shown by the figures are the Middle Atlantic (New York, New Jersey and Pennsylvania) and East South Central (Kentucky, Tennessee, Alabama and Mississippi) districts. The greatest gain was recorded in the Mountain section (Idaho, Wyoming, Montana, Arizona, Nevada, New Mexico, Utah and Colorado), where the increase was 3.5 per cent.

The following totals, by divisions, is based on the tables for the two months:

Every warehouseman receiving the monthly questionnaires from the Department of Commerce owes it to himself and his industry to send in replies promptly.

The figures show that the four East South Central States had the highest occupancy percentage of any of the nine divisions at the end of October notwithstanding the decline of 1.3 per cent as compared with the close of September. New England, though scoring a slight gain in October, had the lowest occupancy percentage in each of the two months.

Tonnage

ONLY four of the nine sections had a larger percentage of goods received actually go into storage in October as compared with the volume which entered the occupiable space in September, the figures show. The most radical percentage increase, 19.3 per cent, was in the eight Mountain States. The largest percentage decrease, 3.6 per cent,

Public-Merchandise Warehousing

September, 1928

Division and State	No. of Whses.	Floor Space (in Thous. Sq. Ft.) End of Month					Tonnage	
		Not Used for Public Warehousing		Used for Public Warehousing			Received During Month	Delivered on Arrival
		Total	Warehousing	Total	Vacant	Occupied		
NEW ENGLAND:								
Mass. and Vt.	39	4,337	794	3,543	1,729	1,814	8,252	851
Conn. and R. I.	15	1,443	498	945	448	497	4,402	2,524
MIDDLE ATLANTIC:								
New York	339	14,647	3,527	11,120	4,421	6,699	47,724	18,587
New Jersey	45	4,540	813	3,727	880	2,847	15,211	2,470
Pennsylvania	56	3,835	1,130	2,705	785	1,920	28,240	4,228
E. NORTH CENTRAL:								
Ohio	34	2,718	690	2,028	322	1,706	34,630	4,720
Indiana	18	736	223	508	143	365	3,714	1,182
Illinois	51	7,643	4,062	3,581	970	2,611	55,573	6,837
Michigan	53	3,328	923	2,405	697	1,708	16,372	3,839
Wisconsin	36	935	248	687	154	533	7,170	2,455
W. NORTH CENTRAL:								
Minnesota	36	3,709	1,884	1,825	536	1,289	20,961	7,506
Iowa	21	854	216	638	190	448	5,688	1,418
Missouri	20	1,545	202	1,343	333	1,010	7,643	2,946
N. Dak. and S. Dak.	9	190	31	159	25	134	1,672	385
Nebraska	22	1,004	325	679	331	348	5,875	3,287
Kansas	16	448	197	251	93	158	4,474	3,445
SOUTH ATLANTIC:								
Del., Md. and D. C.	41	3,342	668	2,674	1,266	1,408	25,938	7,892
Va. and W. Va.	31	3,062	456	2,606	808	1,798	9,522	42,011
N. Car. and S. Car.	11	782	497	285	101	184	1,329	508
Ga. and Florida	29	2,088	1,421	667	190	477	8,341	2,464
E. SOUTH CENTRAL:								
Ky. and Tenn.	16	722	126	596	145	451	10,672	1,804
Ala. and Miss.	10	415	252	163	19	144	2,103	1,435
W. SOUTH CENTRAL:								
Ark., La. and Okla.	20	1,694	265	1,429	532	897	18,731	4,025
Texas	55	4,469	1,393	3,076	1,397	1,679	17,496	6,971
MOUNTAIN:								
Idaho, Wyo., Mont.	9	128	31	97	24	73	1,404	2,924
Ariz., Nev., N. Mex. and Utah.	14	573	106	467	117	350	4,962	1,757
Colorado	17	628	265	363	134	229	2,029	4,213
PACIFIC:								
Washington	31	2,702	1,688	1,014	335	679	28,502	5,469
Oregon	9	686	118	568	187	381	14,083	29,626
California	107	5,237	1,214	4,023	1,034	2,989	42,841	7,191
Total for United States	1,210	78,440	24,268	54,172	18,346	35,826	450,554	184,970

was in the East South Central district (Kentucky, Tennessee, Alabama and Mississippi)—one of the two divisions which suffered loss in occupancy.

The following tonnage totals and percentages are based on the two tables:

	Total Tonnage Received	Percentage Entering Storage
New England...	16,029	18,163
Middle Atlantic...	116,460	143,628
E. No. Central...	136,492	164,629
W. No. Central...	65,300	79,096
South Atlantic...	98,005	112,972
E. So. Central...	16,014	17,081
W. So. Central...	42,223	49,770
Mountain.....	17,289	15,703
Pacific.....	127,712	149,078
Entire Country...	635,524	751,300
		70.9 73.5

These figures show that the East North Central States (Ohio, Indiana, Illinois, Michigan and Wisconsin) had the highest percentage of goods go into storage, of the total volume arriving, in both October and September, notwithstanding a slight decline in the later month. They show also that the South Atlantic district (Delaware, Maryland, District of Columbia, the Virginias, the Carolinas and Georgia and Florida) had the lowest percentage in each month, although a slight gain was registered in October over September.

As has been noted, the volume which arrived at the warehouses in October was 115,776 tons greater in October than in September, and this gain was reflected in every one of the nine divisions except the Mountain group, where

OCCUPANCY AND TONNAGE

the falling off was approximately 1600 tons. The largest increase, 28,137 tons, was in the East North Central district.

Railroad Commissions Would Have Trucks Regulated

At the fortieth annual convention of the National Association of Railroad and Utilities Commissioners in New Orleans, Nov. 13-19, a committee was created to draft a uniform motor vehicle law to control and regulate motor freight and express vehicles, private automobiles and passenger buses. The committee was instructed to send such a bill to the Commissions of the various States with a view to having it introduced in the State Legislatures.

Another resolution called for a careful study of aviation with particular attention to the possibilities of freight distribution and passenger traffic. It was the contention of the sponsors that the commissioners should not be caught napping when aviation shall have advanced to a point of serious competition with steam railroads and the bus lines.

Would Extend Time for Settlement of Freight Bills

The Merchants' Association of New York has begun a movement to bring about an extension of the time which receivers of freight may have for the settlement of their freight bills from the railroads. Under the present system

all freight bills must be settled within ninety-six hours, or four days. It is proposed to extend this period to seven days exclusive of Sundays and holidays.

The action was taken on the recommendation of the association's committee on transportation, of which R. S. Stubbs, vice-president of the American Sugar Refining Co., is chairman. This committee points out that prior to the war it was the practice of the railroads to give considerable periods of credit to receivers of freight where in the opinion of the railroad such a practice was desirable. Up to that time the Government had not attempted to make any rules in this regard, but during the period of Federal control of railroads the Director General of Railroads prescribed rules for the payment of transportation charges.

Criticism by Shippers

On the termination of Federal control the Interstate Commerce Commission was required by the Transportation Act to promulgate rules covering the payment of such charges. After a hearing the Commission ruled that freight bills must be paid within ninety-six hours.

There has been much criticism of this rule by large shippers and receivers of freight, particularly by companies having branch offices which have adopted the practice of checking and paying their freight charges at the main office. Several such companies have informed the Merchants' Association that the ninety-six hour rule has not left them time to audit their bills properly. Several members of the association have urged the adoption of a plan of weekly settlements. The Committee reported that it had expected the amendment of the order would follow the passage of a bill which Representative Newton of Minnesota introduced in the last session of Congress; but that the bill had failed to bring about this result. Conferences with railroad accounting officers have likewise failed to make any progress. The Interstate Commerce Commission has been petitioned to reopen the case in which it fixed the ninety-six hour period, but has failed to do so.

In the last Congress, Representative Brigham of Vermont introduced a bill containing a paragraph permitting the carriers to extend, for not more than seven days, credit for freight charges providing the receivers of the freight put up a bond to guarantee payment of the charges.

Alternatives Suggested

The Merchants' Association has now outlined two alternative courses.

If the Interstate Commerce Commission can be induced to reopen the ninety-six hour case, vigorous action will be taken before it in the hope of securing the amendment of the rule.

Failing in this, the association decided to support the Brigham Bill, in which Congress is asked to go over the head of the Interstate Commerce Commission in reaching a solution satisfactory to the shippers.

Public-Merchandise Warehousing

October, 1928

Floor Space (in Thous. Sq. Ft.) End of Month

Division and State	No. of Whses.	Total	Not Used for Public Warehousing	Used for Public Warehousing			Tonnage	
				Total	Vacant	Occupied	Received During Month	Delivered on Arrival
NEW ENGLAND:								
Mass. and Vt.	43	4,337	848	3,489	1,715	1,774	8,714	1,232
Conn. and R. I.	15	1,443	503	940	398	542	5,149	3,068
MIDDLE ATLANTIC:								
New York	335	14,647	3,509	11,138	4,691	6,447	53,771	25,591
New Jersey	45	4,510	818	3,722	1,042	2,679	21,071	3,707
Pennsylvania	56	3,815	1,130	2,685	778	1,907	35,958	4,433
E. NORTH CENTRAL:								
Ohio	33	2,598	685	1,913	259	1,654	36,344	4,606
Indiana	18	736	228	508	129	379	4,676	1,444
Illinois	51	7,640	4,050	3,590	864	2,726	70,780	10,896
Michigan	54	3,399	1,268	2,131	699	1,432	18,465	3,558
Wisconsin	36	966	247	719	140	579	11,105	2,955
W. NORTH CENTRAL:								
Minnesota	36	3,709	1,884	1,825	495	1,331	25,996	8,641
Iowa	21	854	216	638	202	436	5,388	2,100
Missouri	20	1,545	222	1,323	327	996	7,155	2,905
N. Dak. and S. Dak.	9	190	21	159	25	134	2,236	655
Nebraska	22	1,004	324	680	263	417	9,872	3,836
Kansas	16	457	184	273	86	187	7,098	3,214
SOUTH ATLANTIC:								
Del., Md. and D. C.	41	3,342	654	2,688	1,228	1,460	34,434	10,273
Va. and W. Va.	31	3,062	456	2,606	816	1,790	9,814	42,583
N. Car. and S. Car.	11	782	497	475	92	193	1,928	939
Ga. and Florida	29	2,088	1,420	668	147	521	9,004	3,997
E. SOUTH CENTRAL:								
Ky. and Tenn.	16	722	126	596	153	443	10,854	2,359
Ala. and Miss.	10	402	252	150	18	132	2,165	1,703
W. SOUTH CENTRAL:								
Ark., La. and Okla.	20	1,696	277	1,419	599	820	16,606	4,414
Texas	54	4,409	1,346	3,063	1,187	1,876	19,739	9,011
MOUNTAIN:								
Idaho, Wyo., Mont.	9	128	36	92	15	77	2,020	1,179
Ariz., Utah, Nev. and N. Mex.	15	576	112	464	93	371	6,479	1,618
Colorado	17	626	265	361	123	238	2,164	3,423
PACIFIC:								
Washington	31	2,702	1,688	1,014	339	675	17,510	5,027
Oregon	9	686	118	568	187	381	28,545	22,745
California	108	5,318	1,266	4,052	901	3,151	68,268	6,983
Total for United States.....	1,211	78,419	24,660	53,759	18,011	35,748	552,405	198,895

The Public Warehouseman and the Law of Insurance

Twelfth of a Series of Legal Articles

By LEO T. PARKER,
Attorney-at-Law

MANY warehousemen have conducted business for many years feeling secure against financial losses as a result of fire, tornado, and like catastrophe, when in fact payment of insurance would have been refused had a disaster occurred.

It is important to know that an insurance policy is merely a legal contract by the terms of which the insurance company agrees to pay a specific amount of money under the *certain* and definite conditions stipulated in the policy.

Notwithstanding this established law, the records prove that a great majority of warehousemen, although generally cautious in common business practice, neglect to read

carefully and understand the terms of the insurance as expressed in the policy. In fact, many persons positively do not read any part of the insurance contract, but trust that the agent has explained the terms under which the insurance is carried.

Obviously such negligence is inexcusable, except for the reason that few persons realize the numerous litigations decided monthly by the higher Courts in which the payment of insurance is involved.

Therefore the purpose of this article is to review the higher Court litigations involving various phases of warehouse insurance law.

Right of Warehousemen to Insure Stored Property

CONSIDERABLE litigation has existed from time to time involving the right of a warehouseman to sue and recover insurance for destroyed goods that were stored by different owners under various forms of contracts. Generally the warehouseman may sue and recover the insurance, as trustee of the owner, unless the insurance contract clearly provides the contrary.

For example, in the leading case of *California Insurance Co. v. Union Compress Co.*, 133 U. S. 387, it was shown that a fire insurance company issued a policy of insurance to a cotton compress company. The policy described the insured goods as "cotton in bales, held by them in trust or on commission," in their warehouse.

It was customary for the compress company to issue to the owners of the cotton receipts that contained a printed notice "Not responsible for any loss by fire."

The holders of certain warehouse receipts exchanged them for bills of lading issued by a railroad company. These bills of lading exempted the carrier from liability for loss or damage by fire. On issuing the bills of lading the railroad company notified the compress company of the transaction and ordered it to compress the cotton. It was burned while in the hands of the compress company for compression, *after* the bills of lading were issued.

The compress company sued to recover the value of the cotton. The insurance company attempted to avoid

liability on the contention that the cotton was owned by the holders of the receipts and that the railroad companies had no insurable interest in the cotton. However, the Court held the insurance company liable on the policy, stating the presently established law as follows:

"The title to cotton in the temporary custody of a bailee for compression, for which receipts or bills of lading have been given, is manifestly changing hands constantly. The language of the present policy, insuring cotton 'their own or held by them in trust or on commission,' accommodates such a state of things.

"The policy covered all the cotton which was placed in the hands of the

plaintiff [compress company] to insure in its own name goods held in trust by it, and it can recover for their entire value, holding the excess over its own interests in them for the benefit of those who have entrusted the goods to it."

Moreover, it is important to know that a warehouseman may assign an insurance policy to the owner of stored goods, and it is not necessary to notify the insurance company of the transaction, or that the merchandise contained in the warehouse is owned by persons other than the warehouseman.

For example, in *Pelzer Manufacturing Co. v. St. Paul Fire & Marine Insurance Co.*, 41 F. 271, it was disclosed that a warehouse company held a fire insurance policy which read that the goods insured were "their own, or held by them in trust, or on commission, or on joint account with others or sold but not delivered and contained in the warehouse."

The warehouse burned, destroying the goods stored, and the warehouseman assigned the policy to the owner of the goods, who filed suit to collect the insurance.

The insurance company argued that the warehousemen had no insurable interest in the stored merchandise, and further had not notified it, or its agents, that the goods contained in the warehouse were owned by various individuals. However, the Court held the insurance company liable, saying:

"I instruct you that Cely Brothers, being warehousemen, had the right to insure goods in their warehouse in their own name, under the forms of policy

Next Month

WHAT warehouse executive, long established in business, has not experienced difficulties because a former employee has gone over to a competitive firm and there divulged customers' names, disclosed trade secrets, etc.?

Can an ex-employee be prevented from doing such things?

Leading cases involving the various important details of this subject will be discussed by Mr. Parker in his article, part of his series on legal topics, to appear in the February issue. Its subject is "Preventing Former Employees from Obtaining Employment with Competitors."

The Law and Public Warehousing

Announcing Further Articles by Leo T. Parker

A VALUABLE and major editorial feature of *Distribution and Warehousing* is the series of legal articles by Leo. T. Parker, an attorney-at-law practicing in Ohio. These texts, inaugurated in this magazine about a year ago, have created wide interest in our industry because of their authoritative character.

During 1929 Mr. Parker's series will be continued monthly. The subjects he has selected for discussion will be covered thoroughly and completely with a view to imparting worthwhile information useful to warehousemen in avoiding litigations as well as in winning lawsuits in which they may become involved.

During the past year Mr. Parker has been carefully analyzing the many legal inquiries which have been submitted to him by readers of *Distribution and Warehousing*, and upon notes which he has kept he has based the titles set forth below. In the coming articles he will, as in the past, cite leading higher Court cases in various localities, to substantiate each statement of the law presented, and will allude to decisions particularly adapted to illustrate the points emphasized in legal controversies.

The subjects of the articles to appear—not necessarily in the order in which the titles are here published—are as follows:

Preventing Former Employees From Going With Competitors.

When the Warehouseman Is Liable for Injuries by Motor Vans. What Truck Drivers Should Be Told to Avoid Liability.

When Merchandise in the Warehouse Is Subject to State Taxation, and What Is "Doing Business" in a Foreign State.

The Law of Warehouse Leases.

When May Warehousemen Collect Damages From Railroad for Goods Lost or Damaged in Transit?

The Right of a Public Utilities Commission to Control Warehouse Motor Trucks.

The Legality of Notifications Printed on Contract Forms, Warehouse Receipts, Bills of Lading, Letterheads, Etc.

Legal Advantages and Disadvantages of an Incorporated Warehouse Business.

Circumstances Which Relieve Warehousemen of Liability for Loss or Injury to Goods Stored and in Transportation.

Duty of a Property Owner to Repair Leased Warehouse, and When Warehouseman Is Entitled to Damages for Injury to Stored Goods Caused by Defective Premises.

Advantages and Disadvantages of Operating Warehouse Under Partnership and Individual Ownership.

When Warehouseman Is Liable for Acts of Officers and Employees.

Discussion of the Validity of Sales Contracts and Guarantees Made by Salesmen of Warehouse Supplies.



Mr. Parker

"From the Legal Viewpoint"

DURING the year, of course, Mr. Parker will continue to conduct his "From the Legal Viewpoint" department each month. Without cost to our readers, he answers queries which they submit. Accompanying his published replies is his running comment relating to current legal controversies and Court decisions.

in evidence, and when the loss occurred they had the right to sue for the entire loss in their own name; and, having such right, they could lawfully assign the policy to plaintiff, the owner of the goods, who could lawfully sue as such assignee."

Disposition of Proceeds of Insurance Policy

WITH respect to the right of a warehouseman to collect insurance for damaged or destroyed property and his legal disposition of the proceeds, in *Waters v. Monarch*, 5 Ell. and Bl. 870, the policy was issued to persons described as factors, who were, in fact warehousemen, on goods in their warehouses and on goods in trust or on commission therein. The warehousemen had in their warehouses goods belonging to their customers, deposited with them as warehouse-keepers, and on which they had a lien for charges for cartage and warehouse rent, *but no further interest of their own*. They made no charge to the customers for insurance, nor were the customers informed of the existence of the policy.

It was ruled that the goods were held in trust, within the meaning of the policy, and, there having been a destruction by fire, that the warehousemen were entitled to recover their entire value, applying so much as necessary to cover their own interest, and holding the remainder as trustees for the owners. The Court said:

"It was not intended to limit the policy to the personal interest of the plaintiff [warehousemen], for in this and all other floating policies the promise is to make good the damage to the goods."

A similar ruling was made in the case of *London & Northwestern Railway Co. v. Glyn*, 1 Ell. Q. B. 652. Here the warehouseman had obtained insurance of goods against fire. The policy specified insurance "on goods their [the warehousemen's] own and in trust," in a certain warehouse, and it was stipulated that the company was to be liable to make good *the assured all loss which they, the assured, should suffer on the property therein particularized*.

The warehouse was destroyed and the warehouseman filed suit to collect the full amount of the policy. The insurance company contended that the policy distinctly concerned only the loss sustained by the warehouseman. However, the Court held the insurance company liable for the full payment of the policy to the warehouseman and explained that he first should deduct the amount of the storage charges and then pay the balance of the proceeds to the various owners of the stored goods.

Moreover, although the warehouseman is not informed of the true owner of the goods stored in his warehouse, he may legally collect the insurance and distribute the proceeds upon receiving information of the owners of the destroyed goods.

For instance, in *Johnson v. Stewart*, 90 Atl. 349, it was shown that a man purchased a carload of merchandise and

ordered it shipped to a warehouse. The seller shipped the goods to the warehouse, naming itself as the consignor, and failed to inform the warehouseman that the merchandise had been purchased by another party. Soon after the goods were accepted for storage the warehouse burned.

The true owner of the merchandise notified the warehouseman that he had owned the destroyed merchandise and the warehouseman filed suit to collect the insurance on the policy.

The insurance company attempted to avoid liability on the ground that the warehouseman had no knowledge of the true ownership of the goods. However, the Court held the warehouseman entitled to recover on the policy, saying:

"It was lawful for the plaintiff [warehouseman] to insure in its own name goods held in trust by it, and it can recover for their entire value, holding the excess over its own interest in them for the benefit of those who entrusted the goods to it. . . . The bailor may lawfully adopt the benefit of the insurance, previously effected by the bailee, if he notify the latter before proof of loss is made."

Special Stipulations

ANOTHER important point of the law is that a warehouseman may, without effecting the legality of the insurance contract, insure stored goods for which he has issued receipts bearing the stipulation that the merchandise is accepted for storage at the owner's risk against loss by fire.

For illustration, in a recent case (12 Fed. R. 481), where this point of the law was involved, the Court held the warehouseman entitled to collect the insurance, saying:

"But, on the theory that the title . . . remained in the depositors, and that they took the risk of loss by fire, under their contract with the plaintiffs [warehousemen], still the latter were liable for its value if fire should result, from carelessness on the part of the employees, and they had a right to protect themselves from this liability by insuring for full value."

Also it is immaterial that warehouse receipts contain notifications that the stored goods are not insured. This point of the law was discussed by the Supreme Court of the United States in the case of *Home Insurance Co. v. Baltimore Warehouse Co.*, 93 U. S. 527.

The facts of this important case are that the Baltimore Warehouse Co. had issued to it a policy of insurance containing the following clause:

"By this policy of insurance the Home Insurance Company, in consideration of \$100 to them paid by the insured hereinafter named, the receipt whereof is hereby acknowledged, do insure Baltimore Warehouse Company against loss or damage by fire to the amount of \$20,000, on merchandise hazardous or extra hazardous, their own or held by them in trust, or in which they have an interest or liability. . . ."

Three years before this policy was obtained the warehouseman accepted

merchandise for storage and issued receipts to the owner bearing notifications that merchandise stored in the warehouse was not insured. Also the owner obtained insurance.

After the issue of the policy the warehouse burned and the warehouseman filed suit to collect insurance on all of the destroyed merchandise, on the basis of his policy.

The insurance company attempted to avoid liability on the contention that the policy covered only the warehouseman's interest in the goods and, also, on the ground that the owner of the goods had obtained insurance believing the warehouseman did not carry insurance on the goods stored in his warehouse.

In holding that the policies held by the warehouseman and the owner of the goods constituted double insurance, but that the insurance companies must bear the loss proportionally, the Court said:

"The subject was merchandise stored or contained in a warehouse. It was not merely an interest in that merchandise. The merchandise of the warehouse company, owned by them, was covered if any they had. So was any merchandise in the warehouse in which they had an interest or liability. And so was any merchandise which they held in trust. The description of the subject must be entirely changed before it can be held to mean what the insurers now contend it means. If, as they claim, only the interest which the warehouse company had in the merchandise deposited in their warehouse was intended to be insured, why was that interest described as the merchandise itself? Why not as the assured's interest in it?

"It is undoubtedly the law that wharfingers, warehousemen, and commission-merchants, having goods in their possession, may insure them in their own names and in cases of loss may recover the full amount of insurance, for the satisfaction of their own claims first, and hold the residue for the owners. . . . Such insurance is not unusual, even when not ordered by the owners of goods, and when so made it insures to their benefit. . . . The words 'merchandise held in trust' aptly describe the property of the depositors. The warehouse company held merchandise in trust for their customers, not, it is true, as technical trustees, but as trustees in the sense that the goods had been entrusted to them."

Another interesting phase of the law involved in this case, is that before filing suit against the insurance company the president of the warehouse company wrote a letter to the insurance company offering to compromise the claims at considerably less than the amount for which suit was later instituted. During the trial the insurance company endeavored to introduce this letter as evidence for the purpose of influencing the Court to reduce the amount of the judgment.

However, the Court refused to review the contents of the letter, holding that such testimony was inadmissible, and

explained that, when the insurance company refused to accept the offer to compromise the claim, it forever lost its rights to do so.

Therefore, it is quite apparent that litigants may freely consult with each other in view of compromising the difficulty without likelihood of offers made by correspondence, or conversation, being introduced as evidence to effect the outcome of later litigation which may develop.

Read Your Insurance Contract!

IT is well established that an insurance company is automatically relieved of paying insurance money if the insured violates any material provision of the policy.

For this reason, every warehouseman obtaining insurance should take time carefully to read and understand the terms of the contract.

Thereafter, be certain not to violate any of the provisions.

Failure to read the policy *never* is an excuse which entitles the insured to collect insurance money, where the insurance company introduces convincing testimony to prove that the former violated a part of the contract.

On the other hand, the law is well settled that the Courts give contracts of insurance a fair and reasonable construction, such as intelligent business men would give, rather than a strict or technical construction. Moreover, it should be borne in mind that it is a cardinal principle of insurance law that a doubtful question pertaining to an insurance policy is construed liberally *in favor of the insured* and strictly against the insurance company.

In other words, when a contract of insurance is so drawn as to be ambiguous or uncertain and requires interpretation, the construction favorable to the insured will be adopted.

However, this rule of the law applies only where the terms of the insurance contract may be fairly construed to have two meanings. The insured is given *no* preference where the contract is clearly and unmistakably in favor of the insurance company, or where the warehouseman has performed some act which violates the policy.

For illustration, in *Costello v. Insurance Co.*, 133 Wis. 361, it was disclosed that a person verbally applied for a fire insurance policy for a one-year term. The company mistakenly issued the policy for three years. Before the policy had been delivered to the owner of the property, a fire occurred. In the ensuing litigation the Court held the insurance company *not bound* to pay the insurance, because no valid contract existed between the company and the owner of the property.

This decision is based on the established law that a valid contract cannot exist unless both parties agree to all of the terms—which of course includes the time the contract shall remain in force.

In another case (200 Ill. App. 20) an owner of goods mis-stated the location of the merchandise in an application

for insurance. In holding this contract of insurance invalid, the Court said:

"There was no meeting of the minds of the parties giving rise to a contractual relation between them, so as to render defendant [insurance company] liable upon the loss by fire of the goods sought to be insured."

On the other hand, it is important to observe that a mere mistake on the part of the warehouseman will not invalidate the policy, as between the owner of the goods and the insurance company.

For illustration, in *American Alliance Insurance Co. v. Paul*, 294 S. W. 58, it was shown that the owner of goods obtained an insurance policy on certain goods which he ordered to be stored in warehouse No. 3. By mistake the warehouseman stored the goods in warehouse No. 1, which burned, destroying the merchandise.

The testimony proved to the satisfaction of the Court that when the policy was issued both the insurance company and the owner of the goods intended that the policy should protect the stored goods. For this reason the owner was held entitled to payment, and the Court said:

"A policy of fire insurance, like any other written instrument, is subject to reformation, where the facts and circumstances will justify, so as to express the real intention of the parties. It is sufficient if the testimony is unequivocal and clear; that is, such as to satisfy the Court that the mistake was made and that the instrument does not express the intention of the parties."

Agent's Authority to Bind Company

GENERALLY speaking, an agent appointed by an insurance company to represent it has certain well defined legal rights.

In *Franklin Fire Insurance Company of Philadelphia v. Franks*, 111 So. 135, it was shown that, after the owner of personal property had received the insurance policy, he moved to another location. He informed the insurance agent in accordance with the usual provisions of insurance policies. However, the agent carelessly forgot to make the required notation on the policy, although he promised the insured that he would do so.

The property burned and the company refused to make payment because it had received no notification of the insured having moved. The latter filed suit to collect the amount of the policy. The Court held the insurance company liable and stated the law as follows:

"It is no defense for appellant [company] that the stipulation in the policy requires that all such agreements be noted on the policy or attached thereto in writing, because, under the allegations of the bill, it was not the fault of the owner, but the fault of the appellant [company] that stipulation was not complied with."

On the other hand, although an insurance company is liable for the acts of its authorized agent, generally it is not liable for acts done by an office employee of the insurance agent.

Therefore, do not trust office employees to make valid notations, such as riders to your policies. (140 S. E. 552.)

Also, it is important to know that an insurance company never is bound by the acts of its agent where such acts are performed *after* issuance of the policy.

For instance, in *Texas Co. v. Law*, 3 S. W. (2d) 505, it was disclosed that an insured, who had \$2,300 insurance, later desired to obtain additional insurance and applied to the insurance agent, who advised him that his company would not carry more insurance on the property. The insured proceeded to obtain additional insurance from another company, without notifying the company that issued the \$2,300 policy. Later the property was destroyed, and the Court held the company carrying the \$2,300 insurance not required to pay the loss, because the owner of the property had violated a clause in the policy requiring him to notify the company if other insurance was obtained.

Option to Replace Destroyed Property

IN many instances litigation arises between insurance companies and warehousemen where the former are given the option in the policy to either replace or repair damaged property. Generally, the warehouseman is not bound to accept the company's offer to make repairs, unless such repairs will replace the damaged property in substantially the same condition as before the injury.

For example, in *Keystone Co. v. Pennsylvania Fire Insurance Co.*, 139 Atl. 627, the suit was based on five policies of insurance against separate companies to recover damages to machinery caused by a fire. The fire broke out at midnight and burned with terrific intensity throughout the night. The particular machine about which the litigation centered was a large machine, made up of thousands of parts, consisting of many rolls of different designs and sizes. It would have required the labor of eight or ten men about two months to assemble it after the repairs were made.

The policies gave the insurance companies an option to rebuild or repair damaged property. The insurance companies refused to pay the insurance, and would not guarantee to make repairs that would make the machine "as good as new." The insured sold the machine for junk and filed suit to collect the insurance.

The insurance companies contended that since the insured had sold the machine for junk, he was entitled to recover only the difference between the estimated cost of repairs and the price for which the machine was sold.

The Court considered all phases of testimony relative to the original cost of the machine, its age, and its condition before and after the fire, and rendered a verdict in favor of the insured for \$86,000, stating the law as follows:

"It appears that two companies made offers to repair, but neither offer was sufficient to give to the insured that

which the policy contemplated, *a machine as good and as serviceable as it was before the fire*. The insurance company under the option to repair or rebuild, if it elects to avail itself of the privilege, *is not only bound to put the property in substantially the same state or as good as it was before the fire*, but the insurer cannot avail itself of any relieving circumstances unless such repairs make the property as serviceable as it was before the loss."

Misrepresentations of Value of Destroyed Property

FREQUENTLY, holders of insurance policies have been denied the right to collect insurance money where they fraudulently and willfully misrepresented the value of the destroyed property.

One method of misrepresenting the value of destroyed goods is to attempt to collect the amount of insurance equal or substantially equal to the original purchase price of the goods after the same have been used. In other words, it is required that an insured shall estimate a reasonable depreciation on the value of used personal property.

For example, in *Yukmanovich v. State Assur. Co. of Liverpool, England*, 264

Pac. 933, it was shown that the holder of an insurance policy filed a claim for \$4,247. The testimony disclosed that the original purchase price of the property when it was new years before was substantially this amount.

In view of this evidence, although the lower Court held the insurance company liable for \$1,200, the higher Court reversed this verdict, saying:

"Misrepresentation or false swearing, to void a policy, must be willful and with intent to defraud. . . . Here we have a witness, the owner, testifying a lot of goods, purchased years in the past, much of it many years, to be worth the purchase price, when purchased, used for years . . . and still of the same value, making no allowance for depreciation. It is incredible, obviously untrue. When an owner of personal property testifies in a reasonable way as to the value thereof, it is competent testimony. In this instance we hold the testimony incompetent."

The Law of the Increased Risk

ALMOST all insurance policies contain a clause which renders the policy void if alteration of the insured property results in an increase of the insurance risk.

It is well established that any installation of equipment or property which increases the risk assumed by the insurer, invalidates the policy unless the latter is notified of the alteration and gives its consent to the change.

However, it is important to know that immaterial changes or alterations, or mere carelessness on the part of the warehouseman, will not render the policy void.

For instance, in *Thompson v. U. S.* 160 N. E. 668, a proprietor negligently set fire to the premises when burning material in the interior of the building. In holding this act of negligence on the part of the insured not sufficient to justify non-payment of the insurance, the Court said:

"A risk may be increased within the meaning of the condition of the policy, making the policy void, although the risk is not permanently increased. . . . A policy is not void under a condition of this kind because the insured was negligent; his acts increasing the risk must be more than casual or temporary; ordinary repairs and changes of the premises insured of a *temporary* character do not render a policy void although the property may be exposed to an additional hazard."

Interstate Commerce Commission Reverses Its Position in Baltimore Warehouse-Railroad Controversy

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

A COMPLETE reversal of its interpretation of the status of a merchandise warehouseman under the interstate commerce Act has been made by the Interstate Commerce Commission in its decision of the case of the McCormick Warehouse Co., Baltimore.

Although formerly holding that a warehouseman is not a shipper or receiver of freight, and therefore cannot bring a complaint before the Commission, the I. C. C. now holds that the warehouseman's relation with the railroads is such as to give him the same status as a shipper before it.

On its second consideration of the case the Commission has held that the Pennsylvania Railroad Co. is guilty of discrimination against the McCormick Warehouse Co. in making rebates to a competing warehouse owned by the railroad.

Through an exception to the general rule, railroads serving Baltimore load and unload package carload freight free of charge at certain stations. The Terminal Warehouse Co. of Baltimore is designated as a freight station of the Pennsylvania and as an agent for the railroad for loading and unloading package carload freight, for which the railroad allows 35 cents per net ton.

The McCormick Warehouse Co. is in competition with the Terminal warehouse, particularly for receiving carload freight from out of the State for dis-

tribution from Baltimore in less than carload lots, but is unable to meet the charges of the Terminal warehouse because of the payment by the railroad for the unloading services.

The McCormick company complained of this situation to the Interstate Commerce Commission, but the Commission at that time dismissed the complaint, saying:

"When consideration is given to the assertion of complainant that it is not a shipper or receiver of freight, the conclusion must be reached that it has no relation with a common carrier which could result in a discrimination against it in violation of the interstate commerce Act. The discrimination there forbidden is in respect of transportation."

The Commission did declare, however, that the railroad's rebate to the Terminal company on shipments where the warehouse was the consignee or consignor would be illegal unless this rebate were made available to all shippers who chose to handle their own carload freight instead of letting the railroad do it.

The McCormick company thereupon asked the Commission to reconsider the case, declaring that, regardless of whether the warehouse companies were the owners of the goods, there was a discrimination in fact, and that if the Commission did not dispose of the case it would bring criminal proceedings against the Pennsylvania for violation of the Elkins Act, which forbids freight

rebates to shippers. The Commission did reopen the case and has now reversed its former stand.

For many years, it was found, there has been a contract between the Pennsylvania and the Terminal company under which the Terminal was to be the exclusive agent of the railroad for the services it performed, and the Terminal was to route all freight it handled over the lines of the Pennsylvania. The railroad contended that it is legal for it to employ the Terminal as its agent to do the loading and unloading offered by its published tariffs, but admitted that its payments for these services became an illegal rebate on shipments which were consigned to or by the Terminal company. In actual practice it was found that shippers sending carload lots to be handled by the Terminal company varied greatly in the form in which they made out their bills of lading, some of them naming the Terminal company as consignee, some naming themselves at the address of the Terminal warehouse, and some sending the freight "for" or "in care of" the Terminal company.

The Commission found that as a matter of fact all shipments, regardless of the form of the bill of lading, are handled by the Terminal in exactly the same manner, and in the same manner as the McCormick company handles such shipments. It is inconceivable, said the Commission, that the form of the bill of lading alone should determine the true

(Concluded on page 80)

Pictorial Review of the New and Interesting



Above—\$4,500,000 WORTH OF WAREHOUSE: Merchandise distribution and cold storage plant recently opened by Great Lakes Terminal Warehouse Co. at Morris and William Streets, Toledo, Ohio. William N. Miller heads operating interests as president. Right, an interior view at the Great Lakes Terminal.

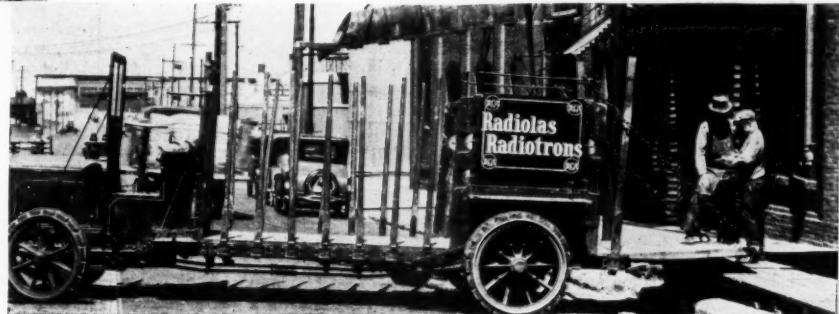


Equine Prize Winners at the Kansas City American Royal Live Stock Show

Below at right—The Adams Transfer Co., Kansas City, entered this team in first honors, giving the Adams stable its second success of this character in two years. At the recent show the Adams entries took three blue, one red and two white ribbons.



Above—MINIMIZING LABOR: The Security Storage Co., Washington, D. C., rides its vans upstairs to storage without removing contents—saving time and reducing misplacement risk.



Right—HANDLING RADIOS: The Lawrence Warehouse Co., San Francisco, uses this low-bed motor truck exclusively for transporting that kind of equipment.



Left—FIRST IN CLASS: This product of the Adams company stable—"Nash," a 5-year-old Belgian gelding weighing 2,000 pounds—won the blue ribbon in the draft-horse contest for geldings or mares over 1,700 pounds at the Kansas City show.

California Commission Prescribes

That Merchandise Warehousemen Operate Under a

Uniform System of Accounts

Commercial Storage Executives in Cities of 25,000 or More in Population Are Required, Beginning Jan. 1, to Keep Monthly Records for Inspection by State Authorities

THE Railroad Commission of California has "ordered and directed that all warehousemen operating in cities having a population of 25,000 or more and subject to the provisions of the Public Utilities Act must, on and after Jan. 1, 1929, keep their accounts and records" in accordance with a uniform system prescribed by the Commission.

The proceeding which led to the issuance of the order was instituted on the Commission's own motion, and hearings were held in October, the California warehousemen whose rates are on file with the Commission having received advance copies of the proposed "Uniform System of Accounts for Warehousemen."

At the hearings various warehousemen suggested certain changes, while others urged that the rural operators be exempt from keeping such accounts and records. As results, the text of the system was altered at some points, and the Commission decided not to include within the scope of its order the rural warehousemen, the Commission explaining:

"We have no desire at this time to require warehousemen whose storage is limited to agricultural products to keep their accounts. If any such operate in cities having a population of 25,000 or more and wish to be exempt from the effect of this order they will be required to file with the Commission a written request for such exemption."

The warehouse industry of California was represented before the Commission by the following:

THE first part is headed "General Rules and Regulations, Information and Definitions." Section 1 quotes, from the California public utilities Act, the authority under which the accounting system is prescribed.

Section 2 defines the term "warehousemen," and under it are exempted household goods storage executives, private operators, cooperative marketing associations and corporations and the like. Section 3 states that the system shall apply to all others. Section 4, General Outline of Accounts, reads:

"a. All accounts under this system shall be kept by the double entry system.

"b. For convenience the accounts have been classified under six general divisions, namely: balance sheet accounts, fixed capital accounts, profit and loss accounts (surplus), income accounts, operating revenue accounts, and operating expense accounts. In each sub-division the titles of the accounts are shown followed by the text thereof and, where necessary, explanatory notes are appended.

"c. The numbers prefixed to account titles are solely for convenience of reference and are not part of the titles or definitions."

Section 5 provides that the accounting shall begin Jan. 1 "and unless otherwise

Leon A. Bailey, secretary of the California Warehousemen's Association and of the Warehousemen's Association of the Port of San Francisco and executive secretary of the Los Angeles Warehousemen's Association; A. C. Bing, vice-president of the Union Terminal Warehouse Co., Los Angeles; J. C. Swain, secretary, and Clarence R. O'Brien and C. Hildreth of the Lawrence Warehouse Co., San Francisco; W. E. Hibbett, of the Lawrence Distributing Co.; Merle E. Turner, president of the California Warehousemen's Association and secretary of the local association in Los Angeles; S. M. Haslett, president of the Haslett Warehouse Co., San Francisco, and executives of various other warehouse firms, and of railway and mill organizations interested in commercial storage.

It is believed that the importance of this action by the California Railroad Commission will not be underestimated by warehouse executives throughout the country. This is the first time in the industry's history that a step of this kind has been taken by authorities of any State, and the outcome will be watched with interest by storage executives in the other forty-seven States.

Because the Commission's action is unprecedented, and in view of the potential effect beyond the borders of California, *Distribution and Warehousing* purposes to publish, virtually in full, the Commission's "Uniform System of Accounts." The complete document occupies more than sixty mimeographed pages and consequently is too lengthy to appear in a single installment, and therefore publication will be in serial form.

authorized by the Commission the entries shall be made and the accounts kept on a monthly basis," with books and accounts closed annually thereafter on each Dec. 31.

Section 6 is headed "Records" and reads:

"a. The general books of account and all other books, records and memoranda which support in any way the entries in such books shall be kept in such manner that full information can be furnished at any time relative to any particular entry therein. Each entry to every account shall be supported by detailed information enabling a ready

identification and verification of such entry.

"b. The books and records referred to herein include not only all accounting records in a limited technical sense, but all other records such as minute books, stock books, etc., which will be useful in developing the history of any of the transactions.

"c. No warehouseman shall, except as may be permitted by the Commission, destroy or otherwise dispose of any records which support entries to any of his accounts or records referred to herein which are necessary for an analysis of the accounts, or which may be useful in developing the history of transactions.

"d. All records shall be kept where they will be reasonably protected from theft, or from damage by fire, flood or otherwise, and where they will be readily accessible for inspection by duly authorized representatives of the Commission."

Section 7 provides that problems of interpretation of the rules and regulations shall be submitted to the Commission. Section 8, "Subaccounts," reads:

"Nothing contained in this system of accounts prohibits a warehouseman from segregating his receipts and payments in further refinement by the creation of two or more subaccounts representing one primary account in this system of accounts, provided that any one group of subaccounts shall contain only such items as are stated herein to be properly included in the primary account which they represent."

Section 9, titled "Rates," explains that the Commission does not bind itself to approve any item set out in any account, either as to amount, or character, for rate fixing purposes or when authorizing the issuance of securities, and that the system "is designed to set out the facts in connection with a warehouseman's investment, revenues and expenditures, and therefrom the Commission will determine, when engaged in fixing rates or approving the issues of securities, just what consideration shall be given to the various items in the several accounts."

Section 10 is called "Apportionment of Cost of Property and Expenses, Etc., Between Utility and Non-Utility Business." The Commission says it realizes that some of a warehouseman's property may be used both in utility and non-utility business and that in such case "the cost of such property, and the revenues and expenses appertaining thereto, shall, on some equitable basis, be apportioned" to both accounts.

The second part of the system is called:

Classification of Balance Sheet Accounts, General Instructions and Definitions

This part follows:

SECTION 1. DEFINITION OF BALANCE SHEET.

The balance sheet is a statement of the assets, liabilities and surplus or deficit of the business at a given time. It contains a statement of the ledger balances after the accounts covering the

UNIFORM ACCOUNTING

revenues, expenses and other income and deduction items have been closed into the profit and loss accounts.

Where the title and definition of a balance sheet account clearly indicates that it is a summary of other accounts, it is not required that a special ledger account shall be raised under such title to include the balances from the accounts usually carried on the ledger.

SECTION 2. DISCOUNT AND PREMIUM ON CAPITAL STOCK.

a. By the term "discount" is meant the excess of the par value of stocks actually issued or assumed (and accrued dividends, if any, expressed in the contract of sale) over the actual cash value of the consideration received for such stocks. By the term "premium" is meant the excess of the actual cash value of the consideration received for stocks or assumed over the par value of such stock (and accrued dividends, if any).

b. Ledger accounts shall be provided in which to include at the time of issue the discounts and premiums from each class of capital stock having par value, issued or assumed by the corporation, such as common, preferred, etc. Appropriate entries shall also be made in these ledger accounts in connection with assessments levied on the stockholders or appropriations from surplus and reduction of discounts, reference to which is made in paragraph "c" following; also for adjusting the premium and discount accounts upon reacquisition of stock by paragraph "d" following.

Entries in these accounts representing net discounts shall be carried therein until offset (1) by premiums realized on subsequent sales of the same class of stock (2) by assessments levied on the stockholders (3) by appropriations from profit and loss for that purpose, or (4) by charges to profit and loss upon requirement of the stock. Entries in these accounts representing premiums shall be carried therein until offset (1) by discounts suffered on sales of the same class of stock (2) by credits to profit and loss upon reacquisition of the stock.

d. When stock which has been issued or assumed by a warehouseman is reacquired, the difference between the price paid and the par value of the stock, or in case of stock without par value, the difference between the price paid and the value carried in account 150 "Capital Stock," shall be charged or credited to profit and loss as may be appropriate. Concurrently the premium or discount account for the particular issue of stock reacquired shall be adjusted through profit and loss to the extent of the premium or discount applicable to the shares reacquired. In making such adjustment the credits and debits to profit and loss shall be included in accounts 315 and 335 respectively. In case the premium or discount realized at the prior sale of the stock reacquired has been included in an account other than the premium and discount account, such account shall be concurrently adjusted through profit and loss to the extent of the premium or discount previously in-

cluded therein with respect to the shares reacquired. This paragraph does not apply to stocks issued or assumed by the corporation when purchased for special funds and carried in the accounts at cost.

e. In no case shall discount on capital stock be charged to or included in any account as a part of the cost of acquiring any property, tangible or intangible, or as a part of the cost of operation. If the warehouseman distributes all or any part of the net premium on its capital stock to stockholders, the amount thus distributed shall be charged to the appropriate premium account.

f. Expenses in connection with the initial issue and sale of stock such as fees for drafting stock certificates; fees and taxes for issuing and recording stock certificates; cost of printing stock certificates; fees and commissions paid underwriters and brokers for marketing such stock; and other like expense, shall be included in fixed capital account 200 "Organization."

SECTION 3. DISCOUNT, EXPENSE, AND PREMIUM ON DEBTS.

a. By the term "discount" is meant the excess of the par value of the debts issued or assumed and the accrued interest thereon, over the actual cash value of the consideration received for such debts.

By the term "premium" is meant the excess of the actual cash value of the consideration received for debts issued or assumed over the par value of such debts and the accrued interest thereon.

b. By the term "expense" is meant all expenses in connection with the issue and initial sale of evidences of debt, such as fees for drafting mortgages and deeds of trust; fees and taxes for issuing and recording mortgages and deeds of trust; cost of printing bonds, certificates of indebtedness, and other commercial paper; costs incident to obtaining governmental authority to incur debt; fees other than annual charges paid for legal services to trustees relative to mortgage securities; fees and commissions paid underwriters and brokers for marketing evidences of debt; and other like expenses. Expenses incurred subsequent to the issue and initial sale of evidence of debt, such as payments to trustees for services in connection with the payment of interest on or the redemption of debt obligations, should be charged to operating expense account 645 "Corporation Expenses," or other appropriate account.

c. Ledger accounts shall be provided in which to include the discount suffered, expenses incurred, and premiums realized at the sale of each class of debt. If fixed capital accounts are debited or credited with any portion of the discount, expense and premium on debt, the amount included in fixed capital accounts shall be debited or credited as may be appropriate to the ledger account for discount, expense and premium; and when entries are made debiting or crediting income accounts for amortization of debt discount, expense

(Concluded on page 82)

H. A. Haring's

New Business for Warehouses

FRESH milk is most plentiful in the spring and early summer, the time of the year when cows are most likely to be "fresh" and when pasture is green and most luscious. That time of the year is, too, the period when the cost of producing milk is lowest. For those cities where dairymen and milk dealers have a scientific basis for setting the wholesale price of milk, that price is lowest during these months.

As would be expected, the dealers in milk have given much attention and expended considerable money trying to perfect some method of storing milk in cold storage after the manner of other food products. They see the savings to be had if only they can devise some method to hold fresh milk until winter, when production is least and when costs are highest.

So far as milk itself is concerned, the only progress has

A Possible Method for Cream

SO far as milk is concerned these efforts have led only to defeat. With sweet cream, however, such is not the case.

Cream differs from milk to just a sufficient extent that cream will give the desired results. Cream possesses less water than milk, more solid matter and more fat; and, of these three qualities, the first named is most important for this purpose. The small proportion of water in sweet cream renders it possible to freeze the cream without causing physical separation of the cream into water and butter fats—as does occur when milk is frozen—and cream may, accordingly, be frozen solid.

When defrosted, the cream returns to its original condition. It is, for all intents and purposes, identically as it was when frozen. Its appearance and smell show no ill effects from being thus preserved. It offers, in brief, no more serious problems than to freeze and defrost pork or beef.

The laboratory has proved that clean cans of sweet cream, the cans having been properly sterilized and the cream absolutely fresh and sweet when frozen, may be kept indefinitely in cold storage. Certainly six or eight months of such storage may be safely undertaken. Odd to say, the method is so new that only to a limited extent do the dealers in milk and cream know of its practicability.

The procedure has, it is true, been extensively explained in the trade publications of the dairymen's following. The Department of Agriculture has done what it could to broadcast the economics of the method. But, as with all things new, infiltration of the practice comes slowly, and, in this instance, only a handful of cities have benefited.

The Needs

EVERYWHERE the autumn months bring a shortage of milk. During September and October the pasture gradually dries up. Although the herds are in the fields, the cows do not get from the grass the amount of nutriment that was afforded during the summer months.

Of course the proper way would be for the farmer to supplement the shortage of pasture by "feeding" grain. Thus it would be possible to balance the skimpiness of pasture with other feed so that milk production would maintain an even quantity.

It is human nature, however, to do just the opposite, always in the hope that in some unknown manner the cows will manage to yield full pails of rich milk on a lessening diet.

In late October the city dealers begin to appeal to dairymen to feed their cows, but by the time the farmers act on the suggestion, three or four weeks have slipped along and by that time the cows have reduced their flow of milk from one to six quarts apiece per day. The total loss of fresh milk to the city market is at once acute.

As one illustration, in the city of Cleveland, early in November of the present winter fifty milk dealers of that city held a meeting to devise some way to meet the city's shortage of milk. The fact that fifty dealers gathered together is itself significant of the acuteness of the situation. Through the aid of the Federal milk inspection service these dealers arranged to receive several cars per day of fresh milk from Wisconsin and Michigan, and thus they temporarily tided over the situation.

Nevertheless, before the end of November, Lorain, thirty miles west of

been through converting fresh milk into other forms, such as dessicated or dried milk, powdered milk, condensed or evaporated milk.

None of these processes, however, yields the desired result, for the reason that when finally marketed these products become substitutes for fresh fluid milk.

As a rule, too, they are marketed through other agencies than the door-to-door delivery of fresh milk in bottles, which method is the backbone of the milk dealer's existence.

Laboratory experiments have, therefore, been endless in the endeavor to find some method of preserving milk in cold storage, the method to be such that when removed from cold storage the milk would at once re-assume its original form.

Cleveland, was daily short some 20,000 gallons of milk. Other suburban communities, as well as the city itself, were short in rations. Many a Cleveland doorstep, when hurriedly the housewife stepped out for her breakfast supply, showed only one bottle of milk instead of the usual two, or a pint instead of a quart. Cream was entirely missing.

The dealers, too, were obliged to pay \$4 per 100 pounds of raw milk, at wholesale, as compared with the usual \$2.25 to \$3—the difference going not to the dairymen on the farms but to the railroads and other transportation companies for carrying the supply over unusual distances to Cleveland.

Yet the dealers were helpless. The farmers, likewise, could do little to make up for their shortsightedness of September and October. All were obliged to wait until the cows got around to a larger production—a process that requires three to five weeks of heavy barn feeding, wherein expensive grain and "cow feed" displace the inexpensive grass of nature.

What has been recited of Cleveland is by no means a situation confined to that city. It applies in a general way to the entire United States, with a change only in the time of autumn when it occurs. Climate differs enough throughout the country that all centers do not have the experience at identically the same time. If they did, one region would not be in position to ship milk to another.

The Fluid Milk Basis

AT times such as that described in our illustration, fresh cream disappears from the local market. In the effort to bring the market more milk, in quantity, the creameries "shift to the milk shipping basis." This means that they dis-

XXXVIII

Frozen Cream Now Becoming a Source of New Revenue

continue the separation of cream from the raw milk as ordinarily they do. The raw milk is chilled, occasionally Pasteurized, but is at once shipped.

In this manner the total quantity available is increased. However grievous it may seem not to obtain sweet cream, that disadvantage is less serious than it would have been to have no fresh milk at all. Cream is then supplied, if required, from the manufactured brands on the market (evaporated, dried, condensed, etc.) The creameries themselves ship milk, not cream. Being wholly unable to supply enough cream and milk to satisfy their community, they deliver fluid milk on as equitable a basis as they can.

Frozen Sweet Cream

SUCH situations may be largely relieved by storing sweet cream during the season of plenty against the season of short supply.

The method is rather simple. Dairies or dealers merely deliver to a cold storage plant their daily surplus of sweet cream during the spring and summer months. The cream is then frozen in the sharp freezer of the cold storage warehouse.

Cream, for this purpose, is generally in cans that hold 2 to 4 gallons. The cans have straight sides, being the same diameter from bottom to top, so as to offer no chance for bulging or unequal expansion in the freezing process. The cans have a plain top, that fits outside the can rather than inside. If cans of 10 gallons' capacity are used, the expansion is so great that the containers bulge, sometimes burst, whereas a can of eight-inch diameter, holding from 2 to 4 gallons, will not swell at all. It is, for some reason, the nature of sweet cream that the center, known as the "core," will "spout at the top."

For this reason the cans are not filled to the top. The contents are usually about eight inches below the top—more than a gallon under the gross capacity

of the can. Then, as the cream freezes, the core rises like a fountain. If the cover is left on the can, it is forced off. The proper method, therefore, is to remove the lids as the cans are set for freezing. This promotes the spouting of the core, because the bottom of the can will then freeze more rapidly than the top.

Cream, for this purpose, is stored in the "sharp freezer" space of the cold storage plant. It requires low temperature. It must be frozen "solid" and held in this condition.

When, however, the cream has once been frozen, the covers to the cans may be replaced. The cans themselves may then be laid on their sides. Often they are ranked to the ceiling of the sharp freezer, about as any other commodity would be that is packed in containers. The frozen cream is not mussy or messy on the warehouse floor. It presents no handling problems.

Possibly no evidence is stronger that this method of keeping sweet cream is rather new than this observation: During a period of five weeks in October-November of this present winter I saw sweet cream thus stored in five cold storage plants. In every plant the cans were shining with their newness. Hardly a single can had ever been used before. I do not recall seeing even one that was not bright and shiny.

The Dealers Must Be Shown the Way

OF the five storage plants in which fresh cream was seen, three had developed the business. They had gone to local dealers and explained the possibility of storing cream. The dealers, like so many of their kind, had been so engrossed in the daily grind of delivering milk and answering the telephone that they had not discovered what their competitors in other cities were doing. It remained for the cold storage man to call to their attention one feature of their own business.

I. C. Approves Market Terminal in Chicago

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

THE \$12,000,000 warehousing and shipping facilities at the South Water Market terminal in Chicago, already partially finished, were given full sanction recently by the Interstate Commerce Commission.

The Commission authorized the Chicago Produce Terminal Co., the corporation which is building the terminal, to acquire and construct the necessary facilities, authorized the stock issue necessary, and approved the acquisition of controlling interests in the terminal company by the Atchison, Topeka & Santa Fe and the Illinois Central Railroads.

Upon completion the terminal is to have a capacity of about 3300 cars, and will handle between 600 and 800 new cars each day, allowing for delays in unloading, icing and reconsigning.

On June 30 the terminal consisted of

about 76 acres of land, on which had already been constructed 23 miles of side tracks, an auction house with a 140-car capacity, a concrete-paved delivery yard with a capacity of 410 cars, a classification yard having a 1000-car capacity, an inspection yard having a 335-car capacity, water tank, yard offices and icing trestles.

Construction Ahead

There yet remains to be built about 23 miles of side track, a new auction house of slightly larger capacity than the present one, a house for unloading bananas, and minor mechanical facilities.

The record of the case shows that before 1925 the wholesale fruit and vegetable trade of Chicago was located on South Water Street, but that because of congestion it was determined by the city to widen the thoroughfare, thus depriving many of the produce merchants there of their quarters.

Rates

IN quoting for this business it is well to remember that receipts into storage may be in small lots. If, of course, the source is a distant one and the cream enters storage from railroad shipments, a carload at a time may be expected, but, if receipts are to be the daily surpluses of local creameries or local dealers, the incoming lots may be small.

Withdrawals, too, may be in small lots.

It is therefore wise to come to agreement as to handling in and out.

It sometimes happens, furthermore, that the owner will desire lots withdrawn from the "sharp freezer" space and transferred into higher temperature cold storage rooms for a few days in order to begin the defrosting. Dealers will, almost without exception, possess cold storage capacities of their own, but none of them will have "sharp freezer" facilities. For this very low temperature they are obliged to come to the professional cold storage man.

As to rates to be charged, it is difficult to give an idea. The business is so new that few houses have had more than two seasons' experience. Most of them are in their first year of this commodity. They have based their quotations on the space occupied per can for the temperature available, with handling charges as usually quoted in Chicago cold storage plants. The commodity itself is one that will bear a reasonable charge, sweet cream having a retail value of 70 cents to \$1 per quart, \$2.50 to \$4 per gallon.

At times of cream surplus, the dealer (or the dairyman) faces only two alternatives: either lose the cream or convert it into something else (butter, cheese, manufactured cream).

Not until recently has it been possible to augment these two alternatives by a third choice—freezing the cream in cold storage and using it, at a later date, in its original form of sweet cream.

The produce merchants' association then selected the site near the junction of Blue River and Racine Avenues, arranged to construct improvements, and formed a committee to study terminal facilities. The terminal is the outgrowth of arrangements which followed. Certain lands owned by each railroad are turned over to the terminal corporation, with the option of repurchase under certain restrictions.

The two railroads have subscribed for 60,000 shares each of the capital stock of the company. Of the revenue, after a working fund has been set aside, an amount up to the total due each carrier will be apportioned in the same proportion contributed. Each will then receive one-twelfth of 3 per cent annually of the total amount it has paid for capital stock and expenditures. Finally, any remaining revenue from operation will go to the respective railroads in the same proportion as in the first instance.

—R. S.

FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Attaching Goods and Receipts

LEgal Editor, *Distribution and Warehousing*: If we issue a negotiable receipt on a consignment of canned goods, and somebody brings an attachment, can they attach the goods, or must they attach the warehouse receipt? What is our position in the matter? If we had issued a non-negotiable receipt would it change the situation?

My attention was called to a case in the Imperial Valley where some cotton was placed in a warehouse and an attachment was brought against the goods, but it was claimed that it would not hold as the negotiable warehouse receipt should have been attached instead of the goods.

Will appreciate your clearing me up on this situation.

In regard to taxes, on the first of March county taxes will attach to all property. What is the responsibility of the warehouseman in regard to taxes? Is the law any different as applied to household goods and to general merchandise?—*Pacific and Orient Dock*.

Answer:—Generally speaking, attachment proceedings cannot be effectively instituted with respect to stored goods on which negotiable receipts are issued, because the creditor is unable to identify the actual owner of the goods. This is true because a negotiable receipt may pass from hand to hand without knowledge of either the warehouseman or the creditor.

On the other hand, if the creditor has positive information of the ownership of the receipt and its holder is the debtor, he may attach the goods and the receipt, thereby preventing further negotiation of the receipt into the hands of innocent purchasers.

If a non-negotiable receipt is issued, the situation is quite different, because under these circumstances the creditor has positive knowledge that the debtor owns the goods.

With regard to taxation of merchandise stored in a warehouse, the owner of the goods always is liable for State taxes, irrespective of the location of his business.

You should consult a local attorney familiar with the details of your State and municipal laws, because the amount of taxes payable is dependent on the kind of goods stored.

Conditional Bill of Sale

LEgal Editor, *Distribution and Warehousing*: We have a lot of goods, in our warehouse, which have

been in our care for about six months, during which time the storage charges have been paid by the customer.

These goods were purchased from one of the furniture stores on a conditional bill of sale signed by the customer. There is a clause in the bill of sale authorizing the furniture store to take possession of these goods at any time, without process of law, if at any time it deems itself insecure or the customer does not keep up his payments on the furniture. The conditional bill of sale is not registered.

The customer has discontinued making payments on the furniture and refuses

the other hand, if the purchaser of the furniture should decide to litigate the contract and the Court should decide that the conditional contract of sale does not delegate authority to the furniture company to repossess the furniture, you would be liable.

Therefore, it would be best for you to refuse to deliver the furniture to the furniture company until the latter, by proper Court procedure, obtains an order requesting you to deliver this furniture to the original seller.

Warehouseman Liable for Highest Value of Converted Goods

IN *Jordan v. Hudgens*, 143 S. E. 811, it was proved that a warehouseman sold, without consent of the owner, certain stored merchandise. The owner sued the warehouseman for the highest value of the goods from the time of the conversion to the date of the trial. The lower Court rendered a verdict against the warehouseman, who appealed the case, contending that he should not be liable for the highest value of the goods. However, the higher Court sustained the lower Court's decision, saying:

"And the measure of damages in a case of this character is the value of the property converted with interest thereon, and the jury may—not must—the jury may give the highest value of the property converted up to the time of the trial."

Partners Personally Liable

GENERALLY speaking, the several members of a partnership are liable for a debt contracted by the firm. However, it is important to know that the law is different with respect to damages effected by motor trucks owned and operated by partnership warehouse firms.

For example, in *Soberg v. Sanders*, 220 N. W. 781, it was disclosed that a pedestrian, who was crossing an intersecting street, reached the center of the street when he was run into and knocked down by another pedestrian running in the opposite direction. After he fell a motor truck, which had been parked at the curb, was started by its driver and inflicted serious injury to the pedestrian.

The motor truck belonged to a partnership consisting of three members. At the time of the accident the truck was being operated by an employee of this partnership. The injured pedestrian did not file suit against the partnership firm, but instituted legal proceedings

to pay the balance of the account. The total cost of the goods is about \$650, on which he has paid about \$350.

The furniture store claim they have the right to take possession of these goods, on account of the clause in the conditional sales contract which the customer has signed. Have we the authority to turn the goods over to the furniture store without the permission of the customer?—*B. G. Costich & Sons, Inc.*

Answer:—The legal procedure under which the furniture company may acquire possession of the furniture must be in strict compliance with the local State statutes. The fact that the conditional contract of sale, executed by your customer to the furniture company, contains a clause by which the latter may repossess the merchandise if the purchaser fails to pay for the same, does not give you authority, upon mere demand by the furniture company, to deliver the furniture to the latter.

You, of course, may turn these goods over to the furniture company and probably no ill consequences will result. On

against one of the members named Sanders.

The lower Court held Sanders not liable for the injuries sustained, but the higher Court reversed this verdict, explaining the law on the subject as follows:

"A debt is that which one person is bound to pay to another either presently or at some future period; something which may be the subject of a suit as a debt, and not something to which the party may be entitled as damages in consequence of a failure to perform a duty or keep an engagement. . . . Under the common law the members of a partnership firm are jointly and severally liable for the tortious act of one of the partners, or of an agent or servant of the partnership, if committed in the course of his employment."

New Ruling on Taxation of Stored Property

UNTIL recently the State law of Wisconsin provided for taxation of all property in the State on May 1 each year. The result was that a great deal of property was withheld from shipment and did not find its way into the State until after this date in each year. For this reason Wisconsin citizens lost warehouse business, insurance business, carriage business, and other benefits which would naturally have accrued to them.

As disclosed in the recent case of *State v. Tiesberg*, 220 N. W. 217, the Legislature enacted a law, similar to that in force presently in other States, as follows:

"Merchandise placed in storage in the original package in a commercial storage warehouse shall while so in storage be considered in transit and not subject to taxation."

Prior to May, 1925, Bloch Brothers Co., a Wisconsin corporation, owned six warehouses and stored tobacco in these warehouses. In May, 1925, the Bloch company was organized as a Delaware corporation and about the same time the Tobacco Warehouse Corporation, also a Delaware corporation, was organized, in order to furnish a suitable method of financing the largely increased volume of business of the Wisconsin corporation. The Tobacco Warehouse Corporation purchased the warehouses from the Wisconsin Bloch corporation, together with the machinery and equipment, for \$82,420.86. It then engaged in the business of storing tobacco, issuing negotiable warehouse receipts therefor.

The Delaware corporation of Bloch Brothers Co. rented from the Tobacco Warehouse Corporation a warehouse in Edgerton, Wis., used for the processing of tobacco. An agreement was made whereby the latter obligated itself to furnish whatever space might be required for the storage of the tobacco of the Bloch company, at the rate of four cents per month per case or bale and one cent per month per bundle of tobacco. These rates enabled it to do a profitable business.

LEGAL

The assessor of the city of Edgerton placed on the assessment roll 2,541,001 pounds of Connecticut and Ohio tobacco belonging to the Bloch company which was in storage May 1, in the original packages in which it had been received at the warehouses of the Tobacco Warehouse Corporation in Edgerton.

The warehouse corporation filed suit to prevent the assessor from collecting taxes on these goods. It is interesting to observe that the higher Court held the warehouseman not bound to pay these taxes, saying:

"There can be no serious controversy that the tobacco stored was not goods, wares, and merchandise but it is claimed that the warehouse in which the goods were stored was not a commercial storage warehouse. . . . The warehouseman in this case accepts and stores merchandise for profit, and against the merchandise so stored issues negotiable warehouse receipts, transacts this business for the general public, so far as its warehouse capacity permits. If this is not a commercial storage warehouse, it would be difficult to find one answering that description. . . . Clearly the merchandise in question was merchandise stored in a commercial storage warehouse, and therefore exempt under the statute. The merchandise in controversy, being 2,541,001 pounds of tobacco, of the value of \$177,850, was not subject to assessment by the assessor of the city of Edgerton."

Warehouseman Liable for Loss by Fire

IT is well established that a warehouseman who transports goods as a legal common carrier is liable as an insurer against loss or injury to the shipment.

However, it is important to know that the warehouseman is relieved of liability if he was induced by fraud or misrepresentations of the owner to accept the goods for shipment.

On the other hand, such fraudulent statements must be relied upon by the warehouseman, or he is not permitted to avoid or reduce his common law liability.

For instance, in *Arnold & Son Transfer & Storage Co. v. Weisiger*, 6 S. W. (2d) 1086, it was disclosed that the Arnold company agreed to transfer by motor trucks a large quantity of furniture, household goods, and wearing apparel for the owners from Louisville, Ky., to Hendersonville, Tenn. While in transit the entire shipment was destroyed by fire.

The owners sued the storage company for the value of the furniture on the contention that the latter was a common carrier and, therefore, liable as an insurer for loss or injury to the shipped goods.

The storage company attempted to avoid liability on the ground that the owners had falsely stated the value of the shipment to be \$1,500 when in fact the goods were \$5,829, and that this fraud was practised for the purpose of obtaining a lower rate of transportation.

However, in view of the testimony

that an employee of the storage company examined the goods *before making the contract of shipment* and, further, that he was aware that the value of the merchandise greatly exceeded \$1,500, the Court held the storage company liable for \$3,200 damages, stating the law as follows:

"The carrier could not have been defrauded, as the goods were not hidden or of a peculiar character, but consisted simply of furniture and ordinary household goods, about which the carrier was as well advised as the shipper. . . . It appears that the agent was familiar with the property and knew as well as the owner the probable value of it. It was apparent to the most casual observer that the property was worth more than \$1,500. There was at least one single article that was worth approximately that sum. . . . It does not appear that the appellant [storage company] was deceived. The property was exhibited to it, and it was not in a sealed package or a closed box. It knew exactly what was to be delivered to it, and the facts shown do not bring the case within the rule of estoppel or fraud."

On the other hand, it is important for the warehouseman to observe the facts in the leading case of *Illinois v. Fontaine*, 289 S. W. 263. In this case it was shown that valuable jewelry which was packed in a trunk without the knowledge of the carrier was stolen by the latter's employee. The carrier was relieved from liability because the owner had failed to impart information of the unusual value of the shipment.

This Court explained that negligence on the part of the shipper in failing to disclose the value of the shipment, in combination with the misrepresentations, resulted in the carrier failing to exercise the required degree of care, to safeguard the goods against theft, proportionate to the value of the shipment.

Corporation Liable for Acts of Its Officer

GENERALLY, a corporation is bound by any and all contracts made by its officers although the proceedings are irregular, or the contract is made without authority, providing the corporation benefits from the contract.

For example, in *Liverpool & London v Aleman*, 117 So. 554, it was disclosed that the directors of a corporation adopted a resolution to borrow money without obtaining the stockholders' approval and without entering the same on the book. A mortgage was given on the company's property to secure the loan. Later the corporation's plant burned and the holder of the mortgage demanded payment of the mortgage and of the insurance money. The corporation contested the case on the grounds that the loan made by the holder of the mortgage was not legal because it had not been authorized or given in legal form. However, the Court held the holder of the mortgage entitled to payment, stating the law as follows:

"The term *ultra vires* has been ap-

WINDOW DISPLAY

Distribution and Warehousing
January, 1929

plied to acts of directors or officers which are outside and beyond the scope of their authority, and therefore are invasions of the rights of stockholders, but which are within the powers of the corporation . . . A corporation which has received the consideration of a contract is not allowed to defend against an action on the contract on the grounds that the provisions of its charter . . . were not complied with by the officer acting for the corporation in the execution of the contract."

When Warehouseman Is Liable for Injuries Caused By Contractors

GENERALLY speaking, a warehouseman who employs a contractor is liable for injuries *only* when the contractor is hired to perform work under the *direct* supervision of the warehouseman, or his authorized employee. Under these circumstances the contractor is legally the warehouseman's employee and, therefore, the warehouseman is liable. If, however, the contractor is employed to do certain work and the ware-

houseman does not control the contractor's workmen, the warehouseman is not liable for negligence of the contractor or his employees.

For example, in *Harmony v. Underwood*, 161 N. E. 924, it was disclosed that a person filed suit to recover damages for personal injuries. The testimony disclosed that the owner of property contracted with the Libby Contracting Co. to repair a driveway. In performing the work the contractor had placed some crushed stone on a sidewalk over which a person stumbled.

It is interesting to observe that the lower Court held the injured person entitled to recover \$5,500 damages. However, the higher Court reversed this verdict, explaining the law on the subject as follows:

"The Libby Company was an independent contractor employed to do the work for a lump price, and there is not a particle of evidence sustaining the allegation of the petition that the work was done by the defendant [property owner] or any of its employees. . . . We do not question the rule holding the

defendant liable for lack of ordinary care in keeping its sidewalks free from nuisance or obstructions which would reasonably be anticipated as likely to cause danger."

Declaration of Value

"**C**OMPENSATION for goods lost in transit cannot be recovered under interstate laws if shipper fails to declare the character and value of goods at the time of shipment."

This was a ruling of the Massachusetts Superior Court handed down at Newburyport, Mass., Dec. 6, in the jury trial of the case of *Rose Goldberg v. Luckenback Steamship Co.*, wherein the plaintiff sought to recover \$400 for the loss of a fur coat, several silk dresses and other personal goods packed in a case shipped from Los Angeles to Newburyport with other articles. When the box arrived, the plaintiff claimed, the garments were missing.

The jury rendered her a verdict of \$50 for the ordinary personal property alleged to be missing.

Houston Warehouse Firm's Window Displays Attract New Business

THE Houston Central Warehouse Co., Inc., Houston, uses various methods of teaching patrons and prospects that it gives the advantages of a local branch. Suggestive and educational window displays comprise the latest extra service given by this Texas firm.

Clinton Holladay, the company's president, finding that retailers of every trade, and jobbers, supply houses and newspapers, were getting good results from suggestive displays, saw the possibilities of bringing this merchandising method into the warehouse and distribution field.

Since the first window was completed at a cost of one hundred dollars, displays have appeared each week since May 12 of this year. These displays are given free space for an entire week; then the display is changed to the merchandise of some other client.

the warehouse or other section of the city, or when some local broker represents the shipper, the representative is advised of this added service that he may have in regular turn with the other customers of the firm.

For the customer who has no representative on hand, a personal letter to the shipper, advising him of this display service, is apt to bring sufficient cardboard cut-outs and other articles necessary for trimming an attractive window. In some instances, this material is on hand in this warehouse with the other merchandise of the client.

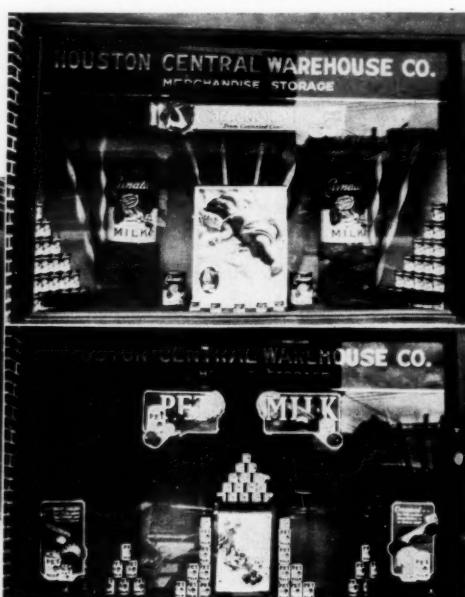
Then, with the liberal use of crepe paper, neatly lettered placards, colorful backgrounds and dummies of the merchandise, an effective display is obtained.

Photographs of these displays tell the warehouse firm's story to the client, just as the window tells the shipper's story to the public. Photographs are made of each display and copies are forwarded to the customers with a mere mention that this is just another one of the many small services extended by the Houston firm. Regardless of whether this service is small or large, it is the direct means of winning some added good will and an increased account from shippers and jobbers.

Located on the San Jacinto Street viaduct that crosses the Buffalo Bayou, the display window is a sales creator, as probably no other place in Houston re-



Where there is a representative of the client located in an office at



ceives more traffic than this particular viaduct.

Motor Trucks and Off-Track Stations Urged by I. C. C. as Solution of Freight Terminal Problems

***Present Methods of Some of the Carriers Held to Be Prejudicial
and Contrary to the Interstate Commerce Act***

By GEORGE H. MANNING

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

THE solution of the freight terminal problems of Greater New York, particularly Manhattan Island, lies in the abandonment of lighters, car floats and pier stations and the use of motor trucks and inland or off-track freight stations, it is declared by Harry C. Ames, examiner of the Interstate Commerce Commission, in an exhaustive report on the Commission's investigation of New York conditions.

The present use of motor trucks by the railroads in delivering freight by use of the so-called constructive station or constructive lighterage is illegal and should be stopped, Mr. Ames declares. He also condemns store-door delivery by the railroads, but he finds that the inland stations maintained on Manhattan Island by some of the railroads are both legal and practical and recommends that this service be extended.

THE investigation was ordered by the Commission in June, 1927, because of a question as to the legality of the tariffs published by some of the railroads serving New York covering constructive and off-track stations. Later certain of the railroads proposed to stop these services, and on petition by shippers, the Commission suspended the proposal, keeping the practice in effect pending the investigation.

The examiner now recommends that the Commission permit the roads to stop these uses of motor trucks and also that it require other lines to abandon similar practices, the grounds being that they are contrary to the sections of the interstate commerce Act forbidding preference or prejudice in the service afforded competing shippers.

The hearings before Examiner Ames were attended by a large number of representatives of railroads, shippers, and freight handlers. Among the organizations represented by attorneys were the Merchants' Association of New York, Brooklyn Eastern District Terminal, Bush Terminal Co., Warehousemen's Association of the Port of New York, Merchant Truckmen's Bureau of New York, Terminal Truckmen's Con-

ference, United States Trucking Corp., and many others.

The very features of the harbor which have given New York its place as a seaport have made it one of the most difficult of American cities for the receipt, delivery and interchange of railroad freight, the Examiner points out. Until recently all the railroads terminating on the New Jersey shore of the Hudson have served New York City by lighters or car floats, unloading carload freight and making delivery at stations on the piers. Since the war, however, the Erie, Lehigh, and Pennsylvania lines have established off-track or inland stations on Manhattan Island back from the waterfront. In principle these island stations are the same as the pier stations or off-track stations used in some other cities, and the examiner finds them legal and useful, and recommends that such facilities be increased. These three railroads employ the United States Trucking Corp. to unload cars at their New Jersey yards, truck the goods across the river, and deposit them at the inland stations, where consignees take possession as at any railroad station. It is a substitution of trucking for lighterage.

To meet this competition other lines

He admits, however, that the Commission is without power to force the railroads to establish inland or off-track terminals or to use trucks and explains that the end can be accomplished only by voluntary cooperation by railroads and shippers and that the change in service must be gradual.

The report is one of the most comprehensive discussions of the use of the motor truck in freight terminal service that has ever been issued, and its principles apply not only to New York but also to every other city where freight terminals are congested and facilities unsatisfactory.

So important does Mr. Ames consider the motor truck in the freight terminal of the future that he suggests to the Commission that it ask Congress for authority to require railroads to employ trucks for handling freight when conditions warrant, and to control truck delivery in terminals.

developed the constructive station, employing trucking companies to unload freight on the Jersey side and cart it across the river, but instead of depositing it at an actual station, the trucks continue to the doors of the consignees. When the truck passes the pier head, the point of the railroad's pier station, the railroad ceases to be responsible for the freight, and the trucker ceases to be the agent for the carrier and becomes the agent of the consignee. The truckman is paid by the railroad for the haul to the pier-head, but collects from the consignee for the haul beyond.

This system was also used by the New Haven line, which has terminals in the Bronx, but which served Manhattan Island by a constructive station along the line of 59th street. To meet this competition the New York Central, the only line having physical rail connections with Manhattan Island, developed the constructive lighterage to all points within the lighterage limits of New York harbor, under which the truckman acts as the railroad's agent until he passes near one of the regular lighterage points, after which he is the agent of the consignee and collects from him for hauling beyond the lighterage point.

The constructive station and constructive lighterage services were popular with shippers because they eliminated congestion and delay incident to receiving freight at pier stations, and as the truck was already loaded when it reached the constructive station, it continued on to the shipping door of the consignee without delay, and without extra handling, thereby eliminating a loading charge. The service amounted practically to store door delivery by the railroads except that the railroad's responsibility and obligations ceased when the truck passed the lighterage point. Other sections of Greater New York began demanding the same service, Brooklyn, the Bronx, and particularly the cities of Northern New Jersey. Therefore the railroads sought to stop the service entirely, except for the physical off-track stations operated by three of the lines. The New Haven, however, sought to continue its constructive station service in the hope of eliminating expensive pier stations, and the New York Central sought to meet this competition by retaining its constructive lighterage on traffic from New England.

Something must be done to eliminate, or at least to supplement, the pier stations along the Manhattan waterfront, declares Examiner Ames, and he sees no way of doing it except through the use of motor truck. Waterfront space is too valuable for use as railroad freight depots, he says, and in addition the present system of the pier stations is a hardship to both railroads and shippers. The railroads are required to unload carload freight, which they do in very few other cities, and to maintain expensive lighterage and carfloat equipment as well as the pier stations. The traffic congestion on and near the piers is at times intolerable, as is also the difficulty of locating the particular pile of freight on the pier, getting it loaded, and having it checked out by the station employees, says Mr. Ames. Theft and pilferage are common at the piers, he says.

Labor Conditions Criticized

The Examiner takes particular pains to condemn the public loaders who operate on the piers, declaring:

"It has been pointed out that the consignee's vehicle must go on the piers to receive his freight. Theoretically he is permitted to load his own vehicle. But actually he is prevented from doing so by a band of individuals self-styled as public loaders. These men have an organization of some sort which has affiliation with the International Longshoreman's Association, which, in turn, is affiliated with the Teamsters' Union. By means of this relation they are in position to and do force their presence on the piers, and partly because of the same affiliation, but principally by physical prowess and intimidation, they force their employment by the shipping public. In any event, they infest the pier stations and, although witnesses for each railroad disavowed railroad authorization for their presence on the piers, they

admitted that they were a 'necessary evil' and that to eject them would in all probability cause a strike and a tie-up of the harbor.

"From testimony of record they are wholly without principle in their dealings with the public. They will locate that freight which can be handled quickly and with profit in preference to other freight, and will leave the truck of a customer with whom they deal on credit, to load for one who offers cash. In short, so far as the matter of loading is concerned, they are autocrats of the piers, and the capacity of the piers to handle business is virtually in the hands of these men. No one cares to offend them, whether it be the railroad, the teamster, or the shipper. To illustrate the extreme caution prevalent in this respect, a witness for a large trucking company was asked the direct question whether it was sometimes necessary to bribe these men to get prompt service. He replied:

"We Make Them Presents"

"I do not like that term. We make them presents, yes."

"Of course, it may be urged that inasmuch as the consignees are compelled by necessity to receive their freight from pier facilities, it is better to have the truck loaded by labor experienced in that respect. That might be true if these loaders were employed by and answerable to responsible authority. The result of the present practice is that a tribute is levied against Manhattan shippers in receiving their freight. The practice can not be too strongly condemned, and the pier stations should be immediately cleared of this class of labor."

The railroads wishing to abandon the service point out that the constructive service is not used to the extent which they had anticipated and has not relieved the piers of congestion. The service is not used at all on out-bound shipments, making the trucking expenses heavy by reason of the hauls being all in one direction. Furthermore, as the freight is still in the custody of the railroads, they cannot charge demurrage when cars are not unloaded promptly in the Jersey yards because of shippers' inability to receive the goods at once.

Examiner Ames propounds the question whether it can be fairly said that the railroads should abandon all forms of truck coordination except that used by the three lines sustaining inland stations. He says:

"To answer affirmatively would be to concede that the pier stations leave nothing to be desired in the matter of terminal facilities and that the use of trucks in terminal service is not a step of progress. The record is convincing that the carriers should make every effort to avail themselves of truck transportation and coordination on Manhattan Island to the end that the expensive pier stations may gradually be discontinued."

Only three possible ways of using trucks in solving the New York ter-

rninal problem are seen by Examiner Ames—the constructive station as now practiced, complete store-door delivery by the railroads, and inland or off-track stations after the pattern of those now maintained by the Erie, Lehigh Valley and Pennsylvania. After a thorough discussion of each form, he decides that the inland station is the solution and he outlines the form which this service should take.

Constructive Stations

Regarding the constructive station, the system now in use on Manhattan Island, Examiner Ames says:

"There is no question that the service, considered entirely by itself and as a convenient means of completing a tariff obligation to deliver freight at a point beyond the physical rails of a carrier, is both expeditious and economical. It is the competitive situation which results from it that may lead to a vicious circle. In other words, the principle of constructive-station service is sound, but the competitive conditions growing out of it are the root of any unlawfulness which may result, and it is these competitive conditions which, in the final analysis, must be the foundation of Commission approval or disapproval in a given case."

"Consider it first of all from the standpoint of competing shippers. At present the service is provided only on Manhattan Island. If Manhattan Island could be isolated from a rate and service standpoint, the solution would be easy. But it is not so isolated. Its shippers are in active competition with those in the other boroughs of New York and with those in the metropolitan district of northern New Jersey. The same freight rates apply to all, and when the constructive stations were established no change was made in that basis. It follows, therefore, that any saving or advantage which Manhattan shippers receive in the way of cartage expense operates to the relative disadvantage of their competitors who pay like rates and normal cartage. Already boroughs of Brooklyn and Queens, and the northern New Jersey cities are on record demanding the service for themselves if it is to be continued on Manhattan. The allowances now paid to the truckmen for this service compensates them for loading costs. This may be explained by pointing out that the carriers serving Manhattan are now unloading carload freight at piers through their own disability. But to say that a similar allowance should not be made to truckmen operating constructive stations where carriers are not now compelled to unload freight, would be translating a disability into a distinct advantage. Nor could the claim of these other communities be denied on the ground that the carriers, not being able to reach New York with their rails, must provide some means of serving it and can, therefore, resort to trucks. It is well settled that the carriers have long since extended their rails to New York by means of car floats.

"The constructive station on Manhat-

tan, therefore, is an added facility which, if of disadvantage to Manhattan shippers, may be rightfully demanded by competing shippers in the same rate district. It will, of course, be immediately urged that if the constructive-station is correct in principle, its spread to other localities should not be a bar to its adoption. But, it must be borne in mind that in many localities, already adequately served by on-track facilities, it might result in an unwarranted duplication of delivery facilities.

Carrier Competition

"Now let us consider it from the standpoint of carrier competition. The allowance paid by the west-side lines for the haul to the constructive station covers the cost of unloading from car to truck. This puts the loaded truck on West Street, Manhattan Island, at railroad expense. All that the truckman has to collect from the consignee is an amount sufficient to reimburse him for the extra distance to store door.

"Contrast this with the position of the New York Central, having team-track and station facilities on Manhattan, in its relation to the consignee. Its consignees must pay the truckman his loading costs and for the additional haul as well. The consignee controls the routing of his freight, and in view of this saving in cartage cost, he will, no doubt, direct movement over the lines maintaining constructive stations where it is possible to do so. He will be encouraged in this by the truckman having constructive-station contracts. Many of these large trucking companies have haulage contracts with large shippers and can exert considerable influence on their customers in the way of routing traffic.

"The New York Central, in order to meet this constructive-station competition, started the constructive-lighterage service, and, thereby, in effect, established constructive stations at every lighterage point in the lighterage limits. In doing this it, in the final analysis, went into competition with its own on-track stations. And if the Jersey lines in turn meet this competition of the New York Central, as they must, on the Jersey shore, they will be competing with their own on-track facilities there.

"The result has been a continual shifting of tonnage from one line to another, dependent upon which affords the most favorable trucking rates to consignee. It is competition of the most destructive sort, because it produces no new traffic.

"The New Haven is the only carrier serving New York which is making a real effort to continue trucking as an auxiliary to rail transportation. It feels that the service will ultimately result in real economy and permit the abandonment of the more expensive pier station service. For this reason it is perhaps unfortunate that its physical situation presents what seems to be an insurmountable legal objection to the facility. Its approach to its constructive-station from its Harlem River yard is not over

water or through territory at which no shippers are located. Moreover, it is under no legal obligation to deliver freight at 59th Street any more so than at any other particular street in New York. It has made an honest and commendable effort to locate the facility so that it will operate fairly and without discrimination. But the fact cannot be explained away that it pays the cartage to 59th Street for consignees located south of that street, whereas consignees located north thereof and intermediate to 59th Street are compelled to pay their own cartage from 132nd Street. This is clearly an unjust discrimination.

"It is enough to say that the constructive-station service as now operated on Manhattan Island, and the constructive-lighterage service, inaugurated by the New York Central in an effort to meet the competition created by the former, cannot be approved because of their plain tendency to create violations of sections 2 and 3 of the Act, and because the competition and reprisals which they have engendered among the carriers have and would continue to produce results hostile to the requirement that rate structures should be based upon 'honest, efficient and economical management.' Stated with the utmost candor, the competitive situation in the New York harbor district, both as affecting carriers and shippers, is such that the constructive station, as such, will not work."

Store Door Delivery

Store-door delivery was advocated by the Merchants' Association of New York. Its plan was to have the merchants pay a small extra charge for the service, this to be graded according to the consignee's distance from the piers. It opposed extending the service to other boroughs or sections of Greater New York. Says the Examiner:

"Apparently its position is that unless a community is prepared to show a real economy to the carrier in store-door delivery, it is not in a position to ask for the service. This doctrine is indeed startling. It overlooks entirely the protection afforded by the act to competing shippers and localities. The reason, if any, why the carriers could save delivery expense at Manhattan through the store-door plan, is because other forms of delivery necessary to reach Manhattan are more expensive than the usual form of delivery. That is a disability growing out of its geographic location. In spite of it, its rates are the same as those to Jersey City. But under this doctrine, the Manhattan shipper because of his disability of location would get a service which the New Jersey shipper could not request because he has no disadvantage with which to offset the usual service. It is needless to argue that the Manhattan shipper expects and is willing to pay the cartage expense beyond the place of usual station delivery. The truck at that stage of the journey is loaded at railroad expense—a service which the carrier would not be providing for the Jersey City shipper. The witness con-

cedes that unless the service is made financially attractive to Manhattan shippers, that is unless they are shown that they can move freight cheaper than through regular stations, they will not use the service."

Regardless of other considerations, the Examiner says, the railroads serving New York are opposed to store-door delivery, and after considering the law, he comes to the conclusion that they cannot be forced to inaugurate this system, saying:

"From an examination of the authorities, it must be concluded that a carrier cannot be required against its wishes to furnish personal or store-door delivery of freight. It seems appropriate to add, however, the further thought that one of the principal practical objections to the establishment of the service in a particular locality is the danger of creating undue prejudice to competing localities. The experience thus far gained by the Commission in store-door litigation is that communities denied the service are quick to complain of undue prejudice. The New Jersey interests have clearly indicated such a position in this case.

"It may be, as forecast in the *Motor Bus Investigation*, that the time will come when store-door delivery will be accepted by carriers and shippers as the logical solution of terminal problems. Learned and experienced minds have recognized tremendous advantages and possibilities in the service, and the various treatments of the subject, coming as they do from responsible organizations, command respect. But that charge, under the present state of the law, will have to come with carrier cooperation and cannot come with carrier opposition. On the compass of this record the subject must be dropped from consideration."

Inland Stations Favored

The inland station—a freight depot off the tracks and back from the waterfront and served by trucks rather than freight cars—is the solution advocated by Examiner Ames. However, he sees many difficulties in the way of its adoption. The Port of New York Authority asked the Commission to compel all lines to use inland stations and wanted these to be union stations, serving all lines, similar to the off-track stations in St. Louis. Much research into the transportation law as interpreted by the Commission and the Courts brings Mr. Ames to the conclusion that the I. C. C. cannot order the railroads to establish freight stations off their lines, nor can it force a line to use a freight terminal jointly with another line. The Commission, he says, cannot force the railroads to equip themselves with motor trucks or employ trucking firms as their agents in terminal services.

"The day may come, and no doubt will," say the Examiner, "when a common carrier by railroad will feel impelled to resort to motor trucks in co-ordination with its rail equipment, but in the present state of things it cannot

be said that a carrier's duty to furnish equipment to run over its rails and equipment to run over streets and highways is synonymous."

He declares also that, while railroads are required to furnish station facilities, their location must be left to the discretion of the railroads.

Examiner Ames then outlines his own plan for truck coordination in New York freight terminal service, based on inland stations voluntarily established by the railroads. To quote:

Truck Coordination

"These considerations of jurisdiction, coupled with the inclination of the carriers to oppose further truck coordination, would seem to conclude the matter. But it is not felt that it should be so concluded. As heretofore stated, the situation in New York harbor in respect of the delivery and receipt of freight is such that the wisdom of truck coordination plainly suggests itself. The carriers have recognized this fact for years. One of them is still openly in favor of it. Three others propose to continue it to and from inland stations.

"The testimony, although not showing it directly, leaves the plain inference that the present attitude of the carriers is the outgrowth of a nasty competitive situation which has gotten beyond their control, and not because they feel that trucking service, if properly regulated and policed, is not desirable.

"It is humanly impossible to have sat through this hearing and through the hearing on a similar question at St. Louis, listening to the unfolding of the terminal problems of those two great shipping centers, without becoming deeply impressed with the tremendous advantages to be gained by carriers and shippers in a proper system of truck coordination. At St. Louis, some of the very carriers which desire to restrict the service at New York, are active supporters of a plan similar to that which the New York shippers seek to have installed. Thus we have the anomalous situation of three great railroad systems upholding and condemning similar services at opposite ends of their lines. It is not probable that these carriers, or any carriers, can, upon reflection, fail to recognize the benefits to be gained from a properly regulated trucking service, and with this thought in view, the following suggestions are offered as a solution to the problem:

"We must start with the promise that the present method of pier-station delivery, being so long established, must be departed from by gradual stages. The maintenance of any scheme of delivery for more than 60 years might serve to make it antiquated, as suggested by some, but it also serves to make it an established form around which business has been built. A gradual change will also better enable the carriers to curtail their floating equipment by eliminating replacements.

"As soon as possible after the inland-station service is inaugurated, some of

the existing pier stations should be abandoned. And it is believed that this abandonment may be brought about with the least possible disturbance of existing conditions, if the carriers agree to the union or universal-station plan. A facility of this character offers a tremendous attraction to a shipper or receiver of freight, particularly in less-than-carload quantities, because it makes it unnecessary to 'peddle' freight from one station to another where lots for different railroads move out or in on the same day. On the other hand, the drawing power of the individual inland station against the individual pier station is not nearly so great.

"No difficulty should be encountered in respect of the segregation at and dispatch of freight from the inland station to the various roads. It should be possible at the outset to concentrate the freight for different roads at the inland station, and, as business develops, it should become possible to concentrate enough freight for a particular destination over a particular road, as is now done at the pier stations. The set-up of cars on the Jersey side could easily be arranged to accommodate conditions at the inland stations. In other words, the cars would simply be spotted and loaded on the Jersey side instead of alongside the piers, as at present. If the volume of tonnage handled through individual pier stations is great enough to warrant loading and immediate dispatch of a merchandise car to Pittsburgh, Pa., for example, there is no reason to believe that a similar arrangement could not be successfully operated from an inland station.

Should Experiment First

"Bearing in mind the precaution that haste should be made slowly, it would be most unwise to attempt at the outset to operate too many inland stations. It would be well, at first, to establish a few of them at places conveniently located in districts which produce a heavy volume of tonnage. The number can best be determined by the carriers after a preliminary survey of traffic conditions. These stations could be made the basis of experimentation and, if conditions warrant, additional stations could later be located at other points.

"In establishing these facilities, care must be observed that the shipper on Manhattan is put in no more favorable position in relation to his traffic than are his competitors in other portions of the metropolitan district. In other words, the station must approximate, as nearly as possible, the usual freight-station service accorded on less-than-carload business and the team track on carload business. In either event the consignee must bear the expense of loading his vehicle from and to the platform.

"Some arrangements should also be made to enable the consignee to take direct delivery if that service is desired. That is to say, if a truck is loaded on the Jersey side and a consignee is willing to take delivery of it direct, it would

be absurd to require a flooring of the contents of the truck at the inland station. This contingency can easily be provided for by making two sets of allowances, the first to cover the cost of loading the trucks at Jersey City, haulage to the inland station, and the platform costs, the latter to include, of course, the entire maintenance and operation of the inland station if it is operated by an outside party; and the second to cover only the haulage cost to the station. In the direct-delivery service the truckman should collect from the consignee the cost of loading the truck at Jersey City. This is in no sense a constructive-station, as that practice now prevails at Manhattan Island. It is merely a convenient method of avoiding a needless flooring of freight. The carriers should keep a supervisor on hand to check shipments which pass through the inland station without unloading, and no allowance should be paid except on his authorization. The trucking charges beyond this point to consignees who desire to take direct delivery should be zoned according to locality. That is to say, a certain fixed charge may be made, for example, to consignees south of 14th Street, graded as the traffic moves farther north. The cost of loading the trucks should be added, of course, to each zone charge. The allowances should be arrived at after a careful cost study made in conjunction with a representative of this Commission. Experience has shown that outbound shippers do not avail themselves of direct movement to any extent, but if the service should develop, similar arrangements should be made to accommodate it.

"The inland station may be operated either by the carriers themselves or by the truckmen engaged to do the hauling. If the latter plan is to prevail, arrangements should be made whereby other truckmen may operate in direct-delivery service. In other words, this service being semi-carrier and semi-shipper, the latter should be given a reasonable latitude in selecting a truckman. Moreover, the allowance for direct delivery will be substantially less than that for station service, and there would thus be no incentive on the part of any trucking company operating an inland station to encourage direct delivery. The privilege of hauling in direct delivery, however, should be limited to a reasonable number of truckmen.

Should Reduce Terminal Costs

"It is believed that if the carriers make an honest effort to establish facilities of the character indicated, they will ultimately succeed in materially reducing their terminal costs. This is indicated almost to the point of demonstration. The Pennsylvania made an estimate of its pier-station costs in respect of less-than-carload freight for the purpose of determining the advisability of shifting tonnage from certain piers to other piers. These costs ranged from \$3.91 per ton at pier 4, to \$4.90 per ton

(Concluded on page 78)

Activities of Executives In and Out of the Industry

C LARENCE A. ASPINWALL, president of the Security Storage Co., Washington, D. C., and general treasurer of the American Warehousemen's Association, has been made vice-president of volunteer workers for the Washington Community Chest campaign for funds. The drive, for \$1,000,000, begins Jan. 1.

Olin M. Jacobs, Boston, secretary of the Massachusetts Warehousemen's Association, was elected president of the newly organized Boston Trade Association Executives on Nov. 26. The organization comprises secretaries and managers of New England trade associations.

Wellington Walker, vice-president of Griswold & Walker, Inc., Chicago, has been confined to his bed, seriously ill of a stomach ailment.

I. M. Spellacy, vice-president of the Murphy Transfer & Storage Co., Minneapolis and St. Paul, has been elected president of the mercantile and manufacturing division of the Traffic Club of Minneapolis.

Joseph J. Shane and James L. Emerick have been appointed commercial agents for the Judson Freight Forwarding Co., Chicago.

Charles C. Daniel, president of the Central Storage Co., Kansas City, was reelected president of the Central Industrial District Association at the annual meeting of that organization on Dec. 12. This will be his sixth successive year in the position.

F. L. Fairbanks, chief engineer of the Quincy Market Cold Storage & Warehouse Company, Boston, presided at a dinner meeting of the American Society of Refrigerating Engineers and the Plant Engineers' Club which was held at the Boston Engineers' Club on Nov. 13. Problems of refrigeration and air conditioning were discussed.

S. J. Beauchamp, Jr., of the Terminal Co., Little Rock, Ark., represented the American Warehousemen's Association at the conference of national councillors of the Chamber of Commerce of the United States, at Hot Springs, Ark., on Oct. 8.

Fred R. Long, manager of the S. N. Long Warehouse, St. Louis, and president of the merchandise division of the American Warehousemen's Association, has recovered from a serious illness which confined him to a hospital for a time.

John W. Howell, secretary of the Haslett Warehouse Co., San Francisco, and a past president of the California

Warehousemen's Association, is the subject of a biographical article in the "Who's Who in San Francisco" series of the local *Daily Commercial News*, on Oct. 8.

H. C. Herschman, president of the Terminal Warehouse of St. Joseph, Inc., St. Joseph Mo., has recently been elected president of the St. Joseph Rotary Club, Exalted Ruler of St. Joseph Lodge No. 40, B. P. O. E., and president of the St. Joseph Whist Club.

Henry Kammen, one of the organizers of the Grand Rapids Storage & Van Co., Grand Rapids, Mich., has resigned as manager and operating executive. He is succeeded by John Borgman, his brother-in-law.

Tobacco Statistics Bill Being Opposed in Senate

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

THE Gilbert tobacco statistics bill, which was passed unanimously by the House of Representatives last session, encountered staunch opposition in the Senate when it came up for action in that body during the first week of the present session of Congress.

This measure, which requires warehousemen and others storing tobacco to report on the amounts of each grade and type, with the year of production, was favorably reported to the Senate in the closing days of the last session by the Senate Committee on Agriculture and Forestry.

It was one of the first reached on the Senate calendar, and when it came up for action Senator Claude Swanson of Virginia objected to its consideration. Senator A. W. Barkley of Kentucky questioned the Virginia Senator, asking him if he did not think the bill should be passed.

Senator Swanson said tobacco associations in Virginia are opposed to the measure and indicated he intended to continue his opposition to it on the floor of the Senate. Senator William H. King of Utah also objected to consideration of the measure, saying he wanted opportunity to investigate it personally.

The bill, however, retains its place on the Senate calendar and will come up for passage at a subsequent date. If the opposition to the measure is pressed, there is every reason to believe that it will fail of enactment, as time is limited and the calendar is crowded with many important measures. Unless it is passed by the Senate before March 4, it automatically expires with Congress and it will be necessary to introduce a new bill in the next Congress.

—Philip G. Loucks.

Waco Blaze

Fire damaged sacks of cottonseed on the third floor of a warehouse of the Weatherred Transfer & Storage Co., Waco, Tex., on Nov. 9. The cottonseed was fully insured.

Congress Is Not Ready to Regulate Truck Commerce

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

THE bill providing for regulation of motor buses operating across State lines could easily be passed by the House of Representatives during this session, in the opinion of Representative James S. Parker, New York, chairman of the House Committee on Interstate and Foreign Commerce and the author of the measure, but action in the Senate is less certain.

If Mr. Parker can get assurance that the Senate will not merely pigeon-hole the bill in the press of considering appropriation bills and other legislation, he will proceed to press for action in the House.

"But," he adds, "if the Senate is not going to take it up, why waste the time of the House by debating and passing measures that will die of inaction in the Senate?"

No regulation of trucks is to be undertaken at this time, and school and hotel buses and taxicabs are exempted from the Parker bill.

Under the measure as introduced last year, applications for certificates of convenience and necessity to operate buses in interstate commerce would be made to the States, with the Interstate Commerce Commission to function merely as an agency to hear appeals from the decisions of joint interstate boards. The Parker committee, however, will change the bill to provide that applications shall be made to the I. C. C., which then would delegate to a joint board—composed of representatives of the State boards concerned—the power to hold hearings and recommend action to the Commission.

Another change to be made will provide that no attempt be made at this time to regulate fares charged, the committee feeling that it does not know enough about the business to regulate rates properly.

—George H. Manning.

O. K. Expands to Birmingham

Announcement is made by James A. Walker, president of the O. K. Storage & Transfer Co., operating household goods warehouses in Memphis, Louisville and New Orleans, that he has closed a lease for part of the warehouse of the Merchants & Manufacturers Terminal, Inc., Birmingham.

Plans call for the erection of a furniture depository in due time.

Metropolitan Refinances Mortgage

The Metropolitan Fireproof Warehouse, Inc., New York City, of which Charles S. Morris is president, is refinancing its first mortgage and recently recalled all of its 6½ per cent first mortgage gold bonds issued Dec. 15, 1922, and maturing on Dec. 15 each year from 1929 to 1934 inclusive.

We hope each day
In '29
Will find you ele-
Gant and fine—

Vol. IX. No. 7

TWO BITS

A Bit Here, A Bit There

—But if you get
A seige of blue fits
Then cure yourself by
Reading "Two Bits"

Gotham, January, 1929

MR. S. SUGIURA, representing The Toyo Co., Japanese importers of Japanese & Chinese silks, kimonas, happy coats (which we don't know what they are but they are on the Toyo letterhead), mandarin suits, pyjamas, fancy goods & curios, in Vancouver, B. C., Canada, has discovered that storagers from all over the U. S. are planning to attend conventions in Calif. in Jan.

Mr. S. Sugiura, representing The Toyo Co., Japanese importers of, etc., as per above, would like to get some trade from those of the Calif.-going storagers who may return east via Vancouver.

What, then, is more intelligent than that Mr. S. Sugiura should drop a letter to *Two Bits* with the information that The Toyo Co. is located at 548 Granville St., Vancouver? We suspect that maybe Fred Crone or Elm Johnston, the Vancouver storagers, is responsible for Mr. S. Sugiura sending the communication to *Two Bits*, & we would be glad to have word from Fred or Elm telling us what "happy coats" are on a/c they are sold in Fred & Elm's town.

Well, we are not one to disappoint anybody trying to drum up business for himself, so we will pass on to you Mr. S. Sugiura's letter verbatim:

"We move to high class store—not so big in space but now give bigger value than before.

"Silks and all kinds Japanese imports from the Orient—all the same as Geisha Girl dresses.

"You can no tell till you see and choose—husbands like to buy now and here and much.

"You'll savvy Kimonos—Happy Coats and nice things in underwear maybe for lady friend or friend wife make'm feel good.

"You come from States—Yes? Maybe twice or couple of times and how.

"With customs no trouble—\$100. Free.

"Then come to Toyo and be happy with much value all varieties and go away somehow—somewhere with lots of savings from Vancouver's Great Silk Store a most extra important place—you come and get extra special discount and take away money which you save—you alright everybody shop right at Toyo.

"Used to be opposite big Vancouver Hotel—but now lower down the street and lower prices, too.

"You make sure of number 548 Granville Street & new Retail Building.

"You come yesterday, today or any-how. We here and work all the time except after 6 o'clock.

"Let's look at fine silks and each one and one another.

"Yours for silk and better for everybody. At our new address."

Gosh, it sounds intriguing enough to make us want to take a trip to Vancouver maybe once or couple of times & how, if only to meet Mr. S. Sugiura & also to find out from Fred or Elm what a happy coat is.

STORAGERS who are aware of our personal fondness for buttermilk will doubtless be excited to know that we have discovered a new imbibing liquid of which we may take a few gallons with us to the Calif. conventions. It is called xylotrihydroxyglutaric acid. It contains wood sugar made from peanut shells and cottonseed bran. We hereby extend a cordial invitation to any thirsty storager-delegate to visit our room and have a drink of xylotrihydroxyglutaric acid, either at Del Monte or Los Angeles.

Whatever may be the quality of xylotrihydroxyglutaric acid, these 2 paragraphs are going to keep the *Two Bits* composing room men out of mischief for awhile, what with having to find sufficient type to set up xylotrihydroxyglutaric acid so frequently. It would be just like them to rush up stairs & demand a quaff of xylotrihydroxyglutaric acid, in fact.

AS this Jan. issue of *Two Bits* rushes madly to press a few days ere Xmas dawns, Ye Ed is receiving in the U. S. mails a deluge of Yuletide greetings & donations like as usual. We will enumerate those arrived up to 4 P. M. Dec. 21:

From Clare Aspinwall, the Wash'ton, D. C., storager, 1 book yclept "The Daughter of the Storage," by William Dean Howells, which we will add to our personal library, Clare.

From Loo Myers, the Boston storager, 1 2-bladed knife inscribed with Ye Ed's initials in silver on the handle, & we will use it to whittle with while on our vacation next summer, Loo.

Cards of seasonal elegant wishes from the following, to wit:

The Hildenbrand bros., Harv & Milt, the Philadelphia storagers.

The Kedney bros., Fred & Harry, the Minneapolis & St. Paul storagers.

Herb Bragg, the Gotham forwarder.

Bill Bostwick, the Gotham storager.

Ed Jenkins, Sr., the Brooklyn storager.

Van Wicked Mott, the Wash'ton, D. C., storager.

Bern Costich, the Rochester storager.

Geo. Howard Lovejoy, the Boston storager.

Messrs. C. A. Anderson & W. L. Orton, the Boston forwarders.

Cass, Tierney & Johansing, the insurencers.

Bill Leet, *Two Bits*'s western mgr., & better 1/2.

Ed Lee, Chicago, the A. W. A. prexy. Not least, if last, Marie Bowen, the Indianapolis storagess.

We will announce that Mike Murray, the Chicago forwarder, has sent Andy Murray, *Two Bits*'s business mgr., a Xmas card containing in one corner a boxed text which Andy is requested to sign & send back to Mike, the text reading "Enclosed is one dime to pay for Christmas card you sent me." The verse on the card is:

"It's a gude old Scottish custom
"That has stood the test o' time
"An' I'll thank ye t'fill out th' blank
"An' gi'me back ma dime."

We will announce that Mike sent the card to the right party not to get his dime back.

WELL, our New Year hope is that your company's listing is starred in this Directory issue. Leo Blum, the Gotham storager, who owns a Great Dane dog and advertises that fact to the world in general and *Two Bits* in particular, sent his listing in not notarized at 1st, & we mailed it back to Leo asking how-come? Leo had it notarized & returned it, so his listing is starred O.K. in the Directory, but the situation got him mad, as shown by his letter to us, as follows:

"In the section of the country that both myself and my Great Dane habitate it is not necessary to have any statements we issue notarized. There are many reasons for this seeming negligence, the main one being the Dane's tremendous jaws. If I had more time I would make an issue of this point and prove to you the strength and durability of his foremost extremities.

"This being beside the point, and knowing your utter disregard and contempt for dog bites when you are well fortified behind a flat top desk, I have had the blank notarized.

"I read the notice to the Great Dane but the response was merely growls and mutters, which interpreted would probably mean 'If I could only wrap my teeth around that editor's leg.'

"I might at this time give you some free advice on how to remain single: buy a Great Dane and pay for his food. If you can support a wife after that, you should become a Mormon.

"Yours for cheaper notarization costs and bigger and better Great Danes."

A Prosperous 1929 to you all, & we hope you like our xylotrihydroxyglutaric acid if you go to the Calif. conventions.

BOOKS AND PAMPHLETS OF INTEREST TO THE INDUSTRY

These Can Be Supplied, at the Prices Indicated, by

DISTRIBUTION AND WAREHOUSING

249 West 39th Street, New York City

Distribution and Warehousing's Warehouse Map of New York City

Price \$2.00

This map, in colors, and produced for us by Rand, McNally & Co., sets down the geographical locations of public warehouse companies—merchandise, household goods and cold storage—listed in the New York City sections of our 1929 Warehouse Directory (January) issue. Each company is designated by a number, and the companies' names and their corresponding numbers are shown.

On regular map paper, with metal edges top and bottom. Size, 23 by 33 inches. . . . For the shipper of commodities and household goods into the New York territory this map will be found invaluable.

Corporations Doing Business in Other States **5.00**
State Regulations and Requirements
By H. A. Haring

The Distribution Age **3.20**
A Study of the Economy of Modern Distribution.
By Ralph Borsodi

Household Goods Warehousing in the United States **6.00**
Selection of site, building design and construction, accounting, stowing, insect control, estimating, cartage, packing, rates, insurance, etc.
By Clarence A. Aspinwall

The Merchandise Warehouse in Distribution **0.10**
A Department of Commerce publication.

The Railroad Freight Service **5.20**
Practical information for traffic executives.
By Grover G. Huebner and Emory R. Johnson

Standard Contract Terms and Conditions **0.05**
A Department of Commerce publication.

Suggestions for the Practice of Commercial Arbitration in the United States **1.85**
Prepared by the American Arbitration Association.

Trade Associations: The Legal Aspects **5.10**
Trade association law, statistics, uniform cost accounting, credit bureaus, purchasing, standardization.
By Benjamin S. Kirsch

Traffic Management **3.70**
A comprehensive treatment of traffic management.
By G. Lloyd Wilson, Ph.D.

United States Warehouse Act **0.05**
Regulations, as prescribed by Department of Agriculture, for warehousemen storing canned foods.

Warehouse Directory (subscription to *Distribution and Warehousing* included) **3.00**
The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada.
The 1929 edition appears as part of the January issue of *Distribution and Warehousing*. Single copies each **5.00**

Warehouse Forms **0.10**
Simplified Practice Recommendations No. 34 of the U. S. Department of Commerce. Describing and illustrating the standard warehouse documents approved by the Government.

Warehousing **10.00**
Trade customs and practices; financial and legal aspects.
By H. A. Haring

Warehousing General Merchandise—An Encyclopedia
Prepared by the American Warehousemen's Association.
Regular Edition to A.W.A. members: Vol. I, \$10;
Vol. II, \$5. Both **12.50**
Regular Edition to non-members: Vol. I, \$15;
Vol. II, \$7.50. Both **20.00**
De Luxe Edition (limp leather binding, India paper) to A.W.A. members: Vol. I, \$15; Vol. II, \$7.50. Both **20.00**
De Luxe Edition to non-members: Vol. I, \$20;
Vol. II, \$10. Both **25.00**

Please Send Payment With All Orders

MOTOR FREIGHT DEVELOPMENTS

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By PHILIP L. SNIFFIN

THIS MONTH

How to Make Trucks Bring Business—The Advertising Value of the Delivery Vehicle

SERVICE is today as much a selling point as price. Feature the service angle of your motor vehicle department the next time you are out of "copy" ideas. Make your investment in modern delivery equipment bring in more business. And watch it pay.

This is how one concern did it. It gave the drivers a means of identification as representatives of the company and thereby helped in creating a better impression among the trade. A celluloid "pin button" was made up, of the type which was very popular during political campaigns a few years ago. This button was about an inch and a quarter in diameter, printed with bright blue and red colors, and contained the trademark of the company. Drivers were compelled to wear this button conspicuously at all times when on duty.

Many references were made to this idea of the button in this company's advertising. One "ad" said: "Look for the blue and red Keystone button. It identifies the Keystone man." Another put over the idea that the button was the equivalent of an introduction and a promise of the highest type of courteous service that can possibly be obtained.

Many concerns are providing distinctive hats or caps for their drivers. The idea of the typical chauffeur's cap with the company name in the front is unquestionably a good one for many concerns to use, depending, of course, on the general policy under which drivers are employed. As an advertising feature it has considerable value, and further than that it tends to increase the driver's sense of responsibility for the fact that he is a direct representative of the firm among the trade.

Little Ideas Count Big

A SIMPLE and inexpensive way to obtain the driver's interest in his truck is to letter his name on a small

removable panel which can be screwed into a place on the side of the cab. Many concerns have found that this has a good psychological effect on the men. They take a personal pride in keeping the truck clean and in good running

couraging drivers through the "Courtesy Club" to extend courtesy to other motorists on the road.

No rewards are necessary for such a "club."

At intervals this concern gave a banquet and had a talk on the subject of courtesy by someone outside of the business, such as the local traffic Court judge or a popular traffic policeman. Drivers were encouraged to tell of their experiences at these meetings. The company called the public's attention to this "club" in its newspaper advertising. It had lettered on the back of each truck a phrase that ran something like this:

Sound Your Horn. We'll Pull Over
—The Blank Courtesy Club.

Another idea, aimed to secure good will among motorists and also to encourage drivers to prevent accidents, was used by one concern which had a number of neat little signs lettered on wood about 6 by 12 inches each so that they could be placed by screws on the sides of each truck near the driver's cab. This is the wording:

This Car Has Never Been in
an Accident. Safety Always!

Here is an idea to take advantage of the fact that you can put over a brief advertising message to motorists who are running along the road in back of your trucks. A simple little phrase like "Immediate Deliveries," followed by the firm name, is enough to suggest to the person that sees it, "Yes, that company has good trucks and I probably could depend on getting quick service when I need it."

Make Truck Advertising Count

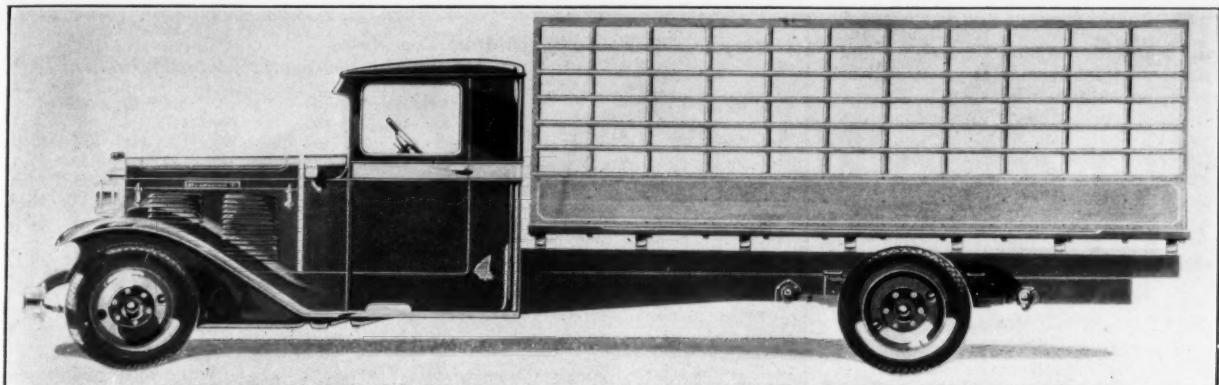
IT is possible to secure excellent advertising advantages from a delivery truck by constructing a long panel about



Here is the automotive advisory engineer whose constructive articles on truck subjects have been appearing in this magazine for several years past. Further texts by Mr. Sniffin will be published on these pages throughout 1929.

condition. Also, it helps the driver by giving him a closer relationship in his contacts with the trade.

One concern formed a "Courtesy Club" among its drivers under the supervision of the man responsible for deliveries. It found that it was good business to keep the good will of passenger car owners and this was done by en-



The new 2 1/2-ton truck of the Diamond T Motor Car Co. Model 550, a special heavy-duty bevel gear drive machine, here equipped with high stake body

two feet high, and long enough to run from one end of the truck body to the other. Support this with solid braces so that it stands up firmly on the top of the truck. Make an attractive frame for it and have the frame arranged at the top so that the top portion of the frame may be removed and a new oil-cloth sign inserted into the frame on both sides of the sign at intervals.

Change this sign every week or every month, making the message brief and timely to advertise some particular sales feature of the business. Have this advertising link up with newspaper and other advertising, and you will have an advertising medium better than a much more expensive billboard campaign.

Another idea which any firm located in a large city can well afford to consider is that of lettering on the top of the truck. Several concerns in the writer's observation have done this. The purpose of this, of course, is that it will be seen by people looking down at the street from tall apartment houses or office buildings. As a matter of fact there is hardly a chance that such an advertisement will escape anyone's attention when seen from a point over the street. It is so unusual and distinctively noticeable that it succeeds in making an impression that other forms of

advertising cannot begin to touch. Certainly it is an inexpensive idea and well worth trying. If van type bodies are not used, the lettering can be placed on the top of the driver's cab.

Here is another idea that one concern works out with extremely profitable results. All vehicles in the fleet were painted alike in striking colors, a combination of bright blue and bright orange with a dark blue outline on the lettering. Although the trucks were of different sizes and although many had different types of body designs, panels were arranged on each truck containing the same copy on each. The copy reads:

ONE OF THE HENDERSON FLEET
Twelve Up-to-the-Minute Motor Cars
Like This to Serve You.

The "Henderson Fleet" was played up prominently in all forms of advertising employed by this concern. Blotters were issued, showing a picture of the entire fleet of cars and carrying the phrase "Look for the Blue and Orange Henderson Cars." Newspaper advertising also carried a constant reference to the route facilities, and blue and orange calendars issued by the company told the story in still another way.

The blue and orange colors were kept

characteristically wherever the opportunity was presented. A large sign over the concern's place of business carried the name attractively and strikingly lettered in blue and orange.

Thus this company has built up a unique personality for its trucks, making them a selling point in themselves because of the service they give and turning them into an advertising medium par excellence.

A concern in another eastern city worked out a rather clever idea in truck advertising. The trucks used were of the closed van type, so a panel was arranged on both sides of each car to serve as a blackboard. On this, from day to day, different catch-slogans were written, each taking just a few words to impress some particular selling point. The words "Sunbeam Bulletin" were permanently lettered at the top of the blackboard, Sunbeam being the name of the concern.

Truck Appearance Important

NEEDLESS to say, a concern is quickly judged by the appearance of its vehicles. Trucks which always appear dirty and poorly kept are a serious reflection on the business methods of the concern which operates them. Most delivery executives agree on this point, yet the difficulty comes in carrying out a policy that will properly take care of it. Some system is necessary.

Therefore the following points are suggested which should be helpful in arriving at the proper method for keeping up truck appearance:

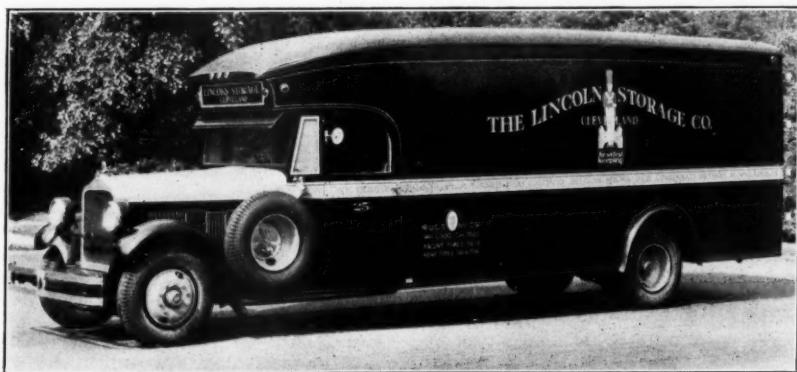
1. Insistence on good painting and lettering in the first place.

2. Frequent complete washing and polishing.

3. Revarnishing just as soon as the original paint shows the slightest signs of losing its original attractiveness.

4. Complete repainting at intervals of from 15,000 to 25,000 miles, according to severity of service and method of care. The old paint should be entirely removed and the vehicle repainted entirely. This not only gives a better appearance than "painting over," but it will endure a much longer period of service.

A wash rack is a wonderful invest-



Bus type van performing for Lincoln Storage Co., Cleveland. The aluminum body, built by the Schaefer Wagon Co., Cleveland, and mounted on a White chassis with a 240-inch wheelbase, has a cubic capacity of 1,100 feet. The chassis has h.p. 110, a length of 33 feet overall, and a speed limit of 75 miles an hour. Tires are pneumatic, 36 by 8.

ment. Every company which maintains its own garage should install one and then see that provision is made so that drivers will use it regularly. It will be worth while to put aside a definite amount of each driver's time every week so that the vehicles will receive a thorough cleaning at regular intervals.

By a thorough cleaning is meant not merely going over the body but getting under the body and washing the parts where dirt, if accumulated, is liable to enter places where it will cause damage.

Points on Truck Lettering

There are two different viewpoints in regard to the style of treatment the painting and lettering should receive. Both have their advantages for individual purposes.

On the one hand some concerns prefer to use novelty effects with colors that "clash" in order to attract attention. Some even go so far as to create a "freak" combination of colors which will create a distinctive originality. Usually, however, such attempts have been more nearly confined to fancy arrangements of color, with possibly an illustration to impress some particular selling point in conjunction with the concern's other advertising.

Another school of opinion favors extreme conservatism in the use of simple, dignified and characteristic lettering which serves alone to build a character and prestige for the company.

The writer knows of one concern which took an unusual means to discover the most effective scheme of painting for its trucks. It had three of the vehicles painted in different combinations of colors and put into service. Each of these vehicles in turn worked one route one day and another route the next day until the whole of the routes had been covered. As they made calls the drivers asked the opinions of customers, and requested them to reserve judgment until they had seen all three vehicles.

The consensus was greatly in favor of the light blue and white combination, which has therefore since been standardized. On all vehicles now the hoods and fenders are black, but the bodies are a delicate shade of blue with the lettering in white.

There is, of course, a tendency to use white-painted vehicles, but white is an expensive finish to maintain. This shade of blue, however, gives an impression of cleanliness in almost the same degree as does white, but it is not so delicate a finish, nor is it so expensive to maintain.

One other advantage is that the coloring is somewhat unusual and therefore attracts a good deal of attention, while the general scheme leaves a lasting impression.

This subject of truck appearance is well summed up in the remarks of the owner of a fleet of vehicles who takes a rather unusual pride in his equipment. He said to the writer:

"With us, cleanliness is a matter of first importance. Every machine is cleaned both inside and out, every night.

Comparative Table of Old and New Rates Under Massachusetts Liability Insurance

	Terr. 1		Terr. 2		Terr. 3		Terr. 4		Terr. 5	
	Old	New								
W—Cars	\$29	\$47	\$29	\$31	\$22	\$25	\$21	\$22	\$16	\$14
X—Cars	37	47	37	31	27	30	23	27	20	21
Y—Cars	45	62	45	38	34	37	35	34	25	28
Electric	19	19	19	19	15	15	15	15	11	11
Motorcycles—Two wheels	19	47	19	31	15	25	21	15	11	14
Motorcycles—More than two wheels	29	47	29	31	22	25	21	22	14	16
TRUCKS										
Class 2—Heavy	212	184			103	90			59	52
Medium	194	169	Same		94	82	Same		54	47
Light	158	138			77	67			44	39
Class 3—Heavy	151	132	as		74	64	as		42	37
Medium	113	98			55	48			32	27
Light	85	74	Terr.		42	36	Terr.		24	21
Class 4—Heavy	107	93			52	45			30	26
Medium	85	74	One		42	35	Three		24	21
Light	58	50			28	24			16	14

W—Small cars. X—Medium cars. Y—Larger cars.

Territory 1—Boston and adjacent cities.

Territory 2—Quincy and Newton and a group of suburban cities and towns.

Territory 3—Beverly, Brockton, Haverhill, Lawrence, Lowell, Lynn and a group of cities and towns in the eastern part of the State.

Territory 4—Fall River, New Bedford, Worcester, Springfield and adjacent cities and towns.

Territory 5—The rest of the State.

"The bodies and chassis are painted every nine months. White enamel is used. An index to the thoroughness with which these paint jobs are done is given in the fact that the cost runs in excess of \$100 per truck.

"Until recently we painted our cars at a cost of around \$50, but we came to the conclusion that the last place any concern should exercise too great economy is in connection with the appearance of equipment. It costs us nearly \$150 a year for painting each of our vehicles, and, while many a fleet operator may consider this a very excessive cost, we consider it a good investment. We paint not only the outside of our closed cars but the inside as well. We give particular attention to the lettering. Under our present system it takes about two and a half days to do the lettering on each vehicle.

"The men we employ in our paint department are experts, the best available. I believe it is just as important to have the highest grade men as painters as it is to employ only the best of mechanics."

This company carries an extra body which can be set on a chassis in three hours' time, so that a car may continue in service while its body is being painted. All bodies are of the same size and type and will fit any chassis.

Massachusetts Supreme Court Is Considering Compulsory Insurance

EARLY in the new year the Massachusetts Supreme Court is expected to hand down rulings in answer to various petitions filed in December relating to the Bay State's 1929 motor truck and automobile compulsory insurance rates, the schedule of which is shown at the top of this page.

Representative E. R. Spear sought to have the Court declare the rates unreasonable and discriminatory.

A petition filed by a group of insurance companies claimed that the new rates were discriminating in that they would not supply enough business to give remunerative returns.

Meanwhile vehicle owners were registering under the new rates, with expectation of getting rebates should the Supreme Court rule that the rates are too high.

Day Baker, Boston, secretary of the Motor Truck Club of Massachusetts, has sent the following letter to Gov. Fuller:

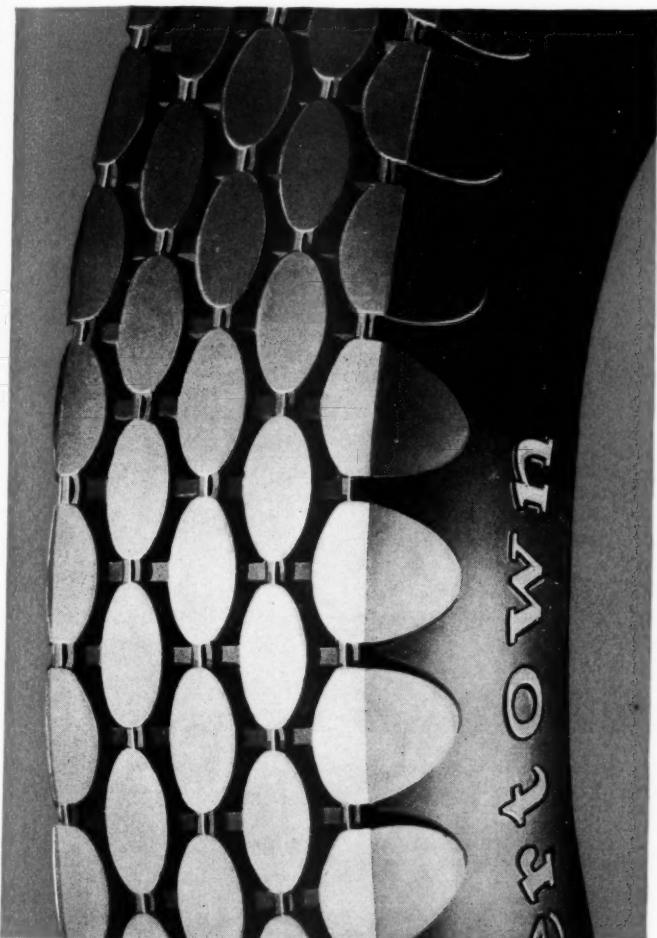
"Compulsory motor vehicle personal liability insurance has not stopped our great death list on our Massachusetts highways, and the method of the territorial premium charges is all wrong. Why not do two good things—cut down the death rate and stop all discussions on the compulsory vehicle insurance law by a very simple method?

"First, scrap our compulsory motor vehicle personal liability law; next, oblige all operators to have a certificate that they are insured against accidents resulting in personal injury or death. Finally, allow no one causing a fatal accident, or convicted of driving under the influence of intoxicating liquors or drugs, to insure again in less than two years.

"When the driver himself is responsible for the accidents, and not the owner of the vehicle, he will soon drive with care, especially if he knows that accidents will mean his retirement as a driver on the highways, and it will immediately be found that the death rate on our highways will commence to drop.

"Switzerland has tried this method and it works well. We could make a

Now you can be sure of TIRE MILEAGE



*from the tires that
you buy*

NO MATTER what industry you are engaged in . . . no matter what section or sections of the country your trucks or buses must operate in . . . no matter over what kind of roads they must travel . . . Goodrich truck and bus tires will answer your tire operating problems *better* than any other tires that you can buy. The past experience of thousands of fleet operators in all industries definitely prove it.

Specify Goodrich when you purchase your next truck. Then you will get the *right* tire for the load and the road.

THE B. F. GOODRICH RUBBER COMPANY · Akron, Ohio · Established 1870

Pacific Goodrich Co., Los Angeles, Cal.

In Canada: Canadian Goodrich Co., Kitchener, Ont.

FOR TRUCKS

"We have just removed from one of our trucks one 32 x 6 Goodrich Heavy Duty Silvertown Casing that has gone 49,102 miles. As this truck is used in very hard service we think that this is exceptionally good service."

WILFONG CARTAGE COMPANY
Contractors, Youngstown, Ohio

BUSES

"We had 33 x 675 Goodrich Silvertowns on one of our Nash buses on our line weighing 5800 pounds. To date these tires have covered 51,262 miles during a period of eight months."

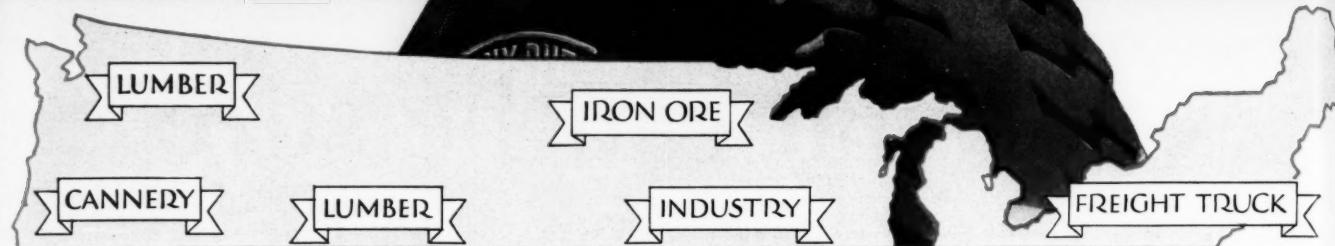
NASH BUS LINES
Bus Transportation, Wilson, N. C.

AND TRAILERS

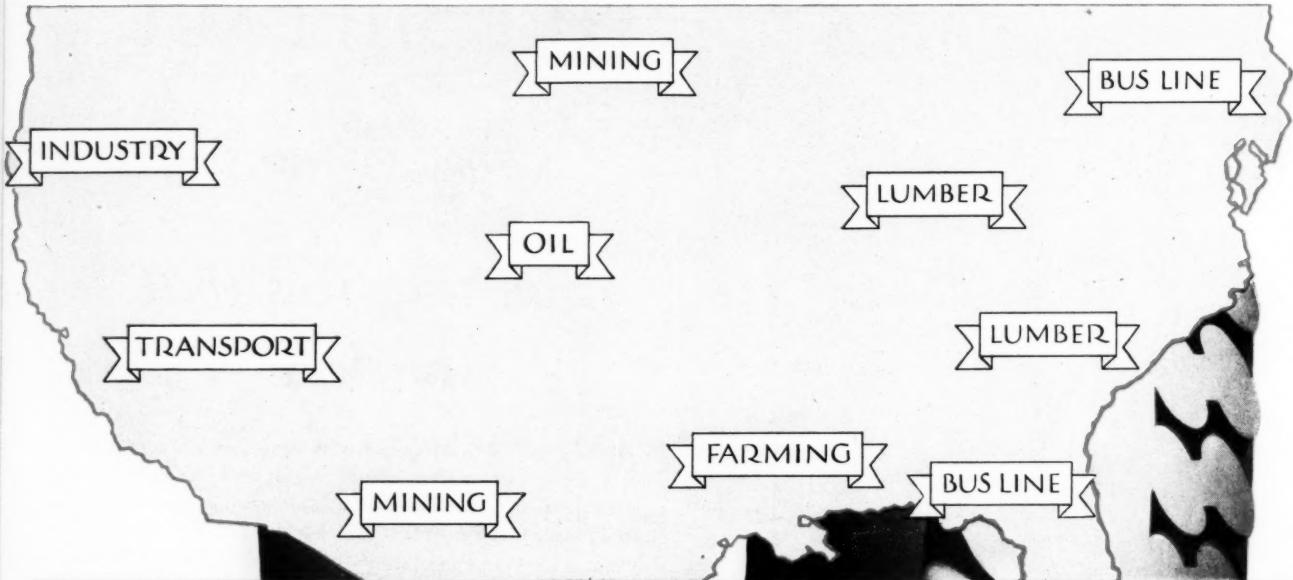
"We have two new Semi-Trailer Reo Trucks on 34 x 7 Goodrich Heavy Duty Silvertown on both trucks and trailers, hauling 4000 feet of green lumber to the load. These tires have rolled over 21,000 miles under these heavy loads with very little interruption from tire trouble."

BEARDMORE TRANSFER LINE
Warehousing and Distributing, Spokane, Wash.

HEAVY DUTY Goodrich Silvertowns



FROM INDUSTRIES ALL OVER THE UNITED STATES COME STATEMENTS LIKE THESE ABOUT GOODRICH HEAVY DUTY SILVERTOWNS



"The Bull-Dog Mack on the 40 x 8 Goodrich Heavy Duty Silvertowns has passed the 40,000 mile mark before the first tire was taken out of service and the treads are still good for many thousand miles more."

S. & S. AUTO FREIGHT
Redmond, Washington.

"It gives me a great deal of pleasure at this time to inform you of the remarkable service we have had with a set of your 36 x 6 truck tires. These tires have been in daily service on one of our 1000 gallon tank trucks for three years."

K. B. K. SERVICE STATIONS, Inc.
Glendale, California.

"We have been using Goodrich Silvertown Heavy Dutys on our school buses for the past two years. Our cost per bus mile was among the lowest of the state last year—and we think that a great part of this was due to the excellent trouble-free mileage delivered by your Heavy Duty Tires."

WILSON COUNTY GARAGE
Wilson, N. C.

"The hundreds of thousands of miles on Goodrich Heavy Duty Silvertown tires, have proven to me the value of uninterrupted service."

M. SINCLAIR, Trucking Contractor,
Spokane, Washington.

"I am operating a freight line over both pavement and gravel roads. I now have in service 36 x 8 and 40 x 8 Heavy Duty Silvertowns which have an average mileage to date of approximately 45,000 miles. These tires are still in constant service hauling heavy freight loads. Four tires on the first truck equipped with pneumatics have gone over 60,000 miles and are still in service at this time on a four wheel trailer."

RED BALL MOTOR FREIGHT
Chehalis, Washington

Now you can be sure of tire mileage. Be sure to specify Goodrich Silvertowns when you buy your next truck.

THE B. F. GOODRICH RUBBER COMPANY · Akron, Ohio · Est. 1870

Pacific Goodrich Rubber Co., Los Angeles, Cal.

In Canada: Canadian Goodrich Co., Kitchener, Ont.

Goodrich *HEAVY DUTY* **Silvertowns**

name for Massachusetts by adopting a similar law."

New Truck License Fees in California Effective Jan. 1

FOLLOWING approval of the Wagy bill, affecting motor trucks, by the people of California at the November elections, Frank G. Snook, chief of the California motor vehicle division, issued the following schedule of annual license fees for trucks equipped entirely with pneumatic tires:

Between 3000 and 6000 pounds, unladen, \$15; between 6000 and 10,000 pounds, unladen, and limited to a total weight, including load, of 22,000 pounds, \$40; above 10,000 pounds, unladen and limited to total weight, including load, of 22,000 pounds, \$50; above 6000 pounds, unladen, but permitted a maximum weight, including vehicle and load, of 34,000 pounds, \$70 (vehicles with six wheels or more only).

The regular annual registration fee of \$3 must be added to the foregoing charges.

If the vehicle is equipped with solid tires, the applicant should double these fees in each case and then add the regular \$3 registration fee.

The Wagy bill also adds \$10 to the amount of the fee set up in the old schedules for all electric motor vehicles used for commercial purposes.

The bill exempts all vehicles up to 3000 pounds, unladen, from the payment of more than the regular \$3 registration charge.

By this Act, Mr. Snook claims, the troublesome question of "box backs" and light vehicles used only occasionally for commercial purposes is settled.

The bill goes into effect Jan. 1.

24 States Increased Gas Taxes in 1927

A SURVEY recently completed by the American Road Builders' Association covering 1927 shows that gasoline taxes in that year were increased in twenty-four of the States, the average increase being 0.63 cents a gallon. On Jan. 1, 1928, these increases had brought the average tax for the country up to 3.19 cents a gallon.

During 1927 Alabama, Maryland, New Mexico and Texas increased their taxes two cents a gallon.

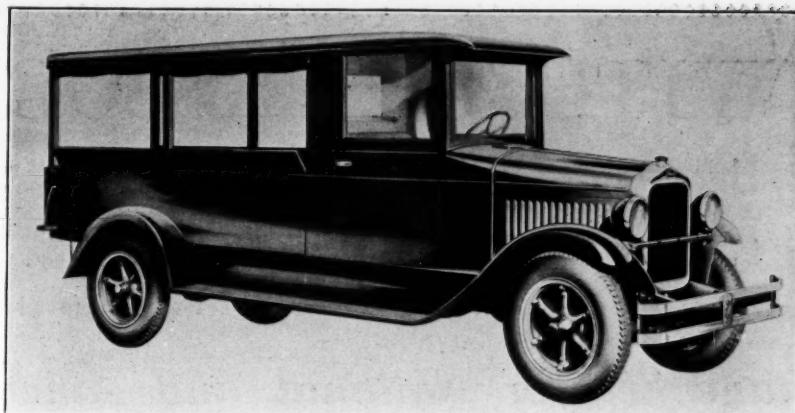
One-cent increases were put into effect by Arizona, Arkansas, California, Colorado, Delaware, Florida, Idaho, Iowa, Minnesota, Michigan, New Hampshire, Ohio, Pennsylvania, Rhode Island, South Dakota and Vermont.

Georgia, West Virginia and Wyoming increased their taxes a half-cent a gallon.

Illinois put into effect a two-cent tax but this was declared unconstitutional and was discontinued last February.

New Jersey established a two-cent tax on July 1, 1927, computed above as a two-cent increase.

In New Hampshire the tax was two cents on Jan. 1, 1927, was raised to three cents the following May, and on Jan. 1, 1928, became four cents.



New White truck. Model 60, a six-cylinder, four-wheel hydraulic-brake chassis with open type express body and roll curtains. Offered in two wheelbase lengths, 138 and 157 inches

New Models

DIAMOND T MOTOR CAR CO., Chicago: Announcement is made of 1½-ton and 2½-ton vehicles equipped with heavy duty 6-cylinder motors and available with a new series of stock bodies of Diamond T design. These are supplemented by an improved 1-ton chassis with lengthened wheelbase. The 2½-ton, Model 550, is a special heavy-duty, high-speed, bevel gear drive machine, with its units similar to those used in the heavy-duty worm drive models. Its power and speed are controlled by Lockheed hydraulic 4-wheel brakes. Transmission has four forward speeds and reverse. Standard wheelbases are 155 and 165 inches, with four other lengths available at extra cost, giving the truck a wide range of uses. The stripped chassis weighs approximately 5,400 pounds. Tires are 32 x 6 ten ply pneumatic with duals in the rear. The new stock bodies include low stake and special furniture types. The 1½-ton, Model 290, has the same heavy-duty construction throughout. Four-wheel Lockheed hydraulic internal brakes are used. The transmission has four speeds forward and one reverse. Speed range is 35 to 40 miles an hour, controllable by governor. Budd steel disk wheels are standard equipment with dual 30 x 5 pneumatic tires in the rear. As optional equipment without additional cost 32 x 6 ten ply single tires can be had all around. New stock bodies include a canopy top drop panel express type. Wheelbase of 138½ and 156½ inches are standard, with one of 168 inches optional at extra cost. The weight of the stripped chassis is 4160 pounds. The new Model 151 1-ton chassis has a lengthened wheelbase of 132 inches, permitting a body 8½ feet long. In design it parallels the new 1½-ton except that a 3-speed transmission is used. Tires are 30 x 5 pneumatics all around on spoke wheels. Weight of the chassis stripped is 3200 pounds.

International Harvester Co., Chicago:

Three models, with capacity range of 2½, 3½ and 5 tons, and furnished with either double reduction gear or chain drive gears in the two lighter vehicles, have been added to this organization's line. Drive of the 5-ton is by chain only. Powered each by a 4-cylinder engine, these trucks are equipped with 5-speed transmission and mechanically operated internal 4-wheel brakes.

Ward LaFrance Truck Corp., Elmira, N. Y.: A new 2-ton chassis is announced equipped with a 6-cylinder engine, 4-speed transmission and Lockheed 4-wheel hydraulic brakes. This model, 2R6, is designed along passenger car lines, but with heavy-duty construction of chassis, and is offered in three wheelbases—141½, 176½ and 191½ inches respectively for 10, 12 and 14-foot bodies.

White Co., Cleveland: A new 6-cylinder light delivery truck, Model 60, has a 6-cylinder engine and 4-wheel hydraulic brakes. There are two wheelbases, 138 and 157 inches, with panel, express or stake streamline bodies as additional features.

Pennsylvania Railroad to Develop Jersey City Terminal

Formal announcement has been made by the Pennsylvania Railroad that it will erect a \$50,000,000 warehouse and dock terminal on the waterfront of Jersey City. It is planned to have the first unit, to cost \$20,000,000, ready for occupancy in September.

Atlas Occupies New Space

The Atlas Storage Warehouse Co., Philadelphia, has taken over under lease the entire fifth floor and part of the ground floor of a six-story manufacturing, warehouse and storage building at Locust and 25th Streets.

Aldridge Buys Pasadena Firm

The Merchants Transfer & Storage Co., operating a household goods warehousing business in Pasadena, Cal., has been purchased by A. L. Aldrich of that city.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of general interest to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

Stage Set for National and American Conventions at Del Monte and Los Angeles in January

JANUARY is the 1929 convention month for the two major trade organizations in the warehouse industry, and California is the stage. The sessions of the ninth annual meeting of the National Furniture Warehousemen's Association take place from the 17th to the 22nd inclusive at the Hotel Del Monte, in Del Monte. After an interval of a few days the thirty-eighth annual assembly of the American Warehousemen's Association opens on the 25th, and closes on the 29th, at the Los Angeles Biltmore, in Los Angeles. Each convention will be broken by a Sunday for relaxation and rest, no business activities being on the programs—the 20th for the National and the 27th for the American.

By holding the two conventions within the space of the single fortnight and in the same section of the country a large aggregate saving in money and time is effected for those executives who are members of both organiza-

tions. Delegates traveling from the eastern States can take in both meetings on round trip tickets at the winter excursion rates.

Far West warehousing associations are hosts to the visitors. The Pacific Coast Furniture Warehousemen's Association has cooperated with the National in arranging the Del Monte meeting. With the American, the California Warehousemen's Association, the Pacific States Cold Storage Warehousemen's Association, the Los Angeles Warehousemen's Association and the Warehousemen's Association of the Port of San Francisco have joined in working out the Los Angeles program. During the Los Angeles meeting the California Warehousemen's Association's members expect to hold sessions of their own, and there will be meetings of the American Chain of Warehouses and Distribution Service, Inc.

N. F. W. A.

IN advance of the Del Monte gathering of the National, the latter's members have been notified by Ralph J. Wood, Chicago, that the following slate of officers has been selected by the nominating committee, chairmanned by T. F. Cathcart of Atlanta:

President, James F. Keenan, president of the Haugh & Keenan Storage & Transfer Co., Pittsburgh. Mr. Keenan has long served as the National's treasurer, is a past president of the American Warehousemen's Association, and is president of the Pittsburgh Furniture Storage and Movers' Association.

Eastern divisional vice-president, C. J. Hamilton, president of the Security Storage Co., Inc., Baltimore. Mr. Hamilton is secretary of the Maryland Furniture Warehousemen's Association.

Central divisional vice-president, Sidney S. David, vice-president of the David Fireproof Storage Warehouses, Chicago.

Southern divisional vice-president, James A. Walker, Memphis, Tenn., president of the O. K. Storage & Transfer Co., operating in Memphis, Louisville, New Orleans and Birmingham.

Western vice-president, M. A. Keyser, president of the M. A. Keyser Fireproof Storage Co., Salt Lake City, Utah.

Secretary, Ralph J. Wood, president of the Lincoln Warehouse & Van Co., Chi-

cago. Mr. Wood has been the National's secretary from the start and is president of the Movers' Association of Chicago.

Treasurer, Charles S. Morris, president of the Metropolitan Fireproof Warehouse, Inc., New York City. Mr. Morris was the National's first president.

Directors, each for three years: William I. Ford, president of the Interstate Fireproof Storage & Transfer Co., and who retires at Del Monte as the National's president; Joseph W. Glenn, of O. J. Glenn & Son, Buffalo; George A. Rutherford, president of the Lincoln Storage Co., Cleveland, and F. M. Brock, manager in Glendale, Cal., for the Lyon Van & Storage Co., Los Angeles.

The tentative program for Del Monte calls for meetings of the directors and committees on the evening of Jan. 17 a few hours after the special train bearing the eastern delegates has arrived. Business sessions will be held from 10 a. m. to 5 p. m. on the 18th, 19th, 21st and 22nd, with the annual banquet on the night of the 21st following election of officers in the afternoon, and a meeting of the new board of directors on the evening of the 22nd after the final business session in the afternoon. For play have been arranged motor trips, golf, sight-seeing, movies, musicales, dancing and other features.

A special train is scheduled to leave Chicago over the Chicago & Northwestern at 6 p. m. on Jan. 14, and travel by way of Cedar Rapids, Ames, Omaha, Cheyenne, Salt Lake City, Ogden, and Sacramento, and arrive in Del Monte at 5 p. m. on the 17th. At the various points delegates from all over the country will join the special. At Salt Lake City, on the 16th, there will be a noon stopover during which the delegates will visit the Mormon Temple and drive about the city. Following the convention there will be a trip to Hawaii by some of the members not planning to go to the American's convention in Los Angeles.

A. W. A.

OVER the Santa Fe a special California Limited train will leave Chicago at 9:15 p. m. on Jan. 20, Sunday, carrying A. W. A. delegates for Los Angeles. This train will go by way of Kansas City, Albuquerque, and the Grand Canyon, and will reach the southern California metropolis at 1:30 p. m. on the 24th, the day before the convention begins. A stopover from 8 a. m. to 7:55 p. m. will be made at the Grand Canyon.

Details of the business program will be made known after the delegates arrive. Meetings of the general board and various committees will be held on the

forenoon of the 25th, and the first general session will start at 2 p. m. Merchandise and cold storage divisional meetings will be held on the 26th and 28th, Saturday and Monday, and the convention will close on the 29th with a general meeting at which officers will be elected. No advance announcement of the slate has been made.

The officers of the National have invited the members of the American to attend the Del Monte assembly, and the American has extended a similar bid to the members of the National to be present at the Los Angeles discussions.

N. F. W. A.

AT a meeting of storage executives, members of the National Furniture Warehousemen's Associations, from Kansas, Oklahoma, Missouri and Arkansas, in Kansas City on Dec. 7, it was decided to establish a regional office of the Allied Van Lines, Inc., the inter-city removals agency of the National. More than twenty-five household goods executives attended at the call of Henry Reimers, Chicago, the National's executive secretary.

The proposed central region tariff was unanimously indorsed, and it was agreed to undertake to put it into use immediately.

Mr. Reimers, after reviewing the long distance hauling situation and the development of AVL Inc., discussed the membership requirements, and all the men present not already agents signed agreements and promised to get others in their respective cities to join. Mr. Reimers promised that the Kansas City office would be in operation within two months—probably shortly after Jan. 1.

Daniel P. Bray, Kansas City, urged that the new office be given full support, saying its success would depend on that, and S. C. Blackburn, Kansas City, emphasized the necessity of surrendering loads. Some of the warehousemen urged adoption of the weight basis, in preference to the cubic foot method, for charging, but Mr. Reimers pointed out that it was not yet possible to get the members of the National to accept the weight basis.

—Merryl Schwind.

Connecticut

AT the December meeting of the Connecticut Warehousemen's Association, held at the Taft Hotel in New Haven on the 13th, the secretary, William R. Palmer, New Haven, was instructed to have prepared, for submission to the incoming State General Assembly, two bills along lines advocated by the N. F. W. A. One provides for the warehousemen's lien on stored furniture taking precedence over any other lien against the same lot of goods. The other provides that a truckman shall have a lien on all property transported by him, and that he may retain in his possession such portion of the property transported as will insure the payment of all his charges.

A letter from K. K. Meisenbach,

WITH THE ASSOCIATIONS

New Membership Affiliations

American Warehousemen's Association (Cold Storage Division)

Baltimore Terminal Corp., Baltimore.

New York Furniture Warehousemen's Association

Queensboro Storage Corp., Jamaica.

New York State Warehousemen's Association

Queensboro Storage Corp., Jamaica.

Pennsylvania Furniture Warehouse- men's Association

Harrisburg Storage Co., Harrisburg.

Southern Warehousemen's Association

Bradshaw Transfer & Warehouse Co.,

Birmingham, Ala.

Red Line Storage & Transfer Co.,

Memphis, Tenn.

Texas Warehouse & Transfermen's Association

Paris Transfer & Storage Co., Paris.

Plainview Warehouse & Storage Co.,

Plainview.

Boston Transfer Co., San Antonio.

the Mississippi and Illinois Rivers. The warehousemen are concerned over the transit arrangement that the operating barge lines are making on sugar and other commodities. Any extension of the storage-in-transit arrangement already in effect at Memphis and other points would seriously affect the warehouse industry not only in Chicago but at all river ports. The Lee committee is working closely with the barge lines and interested associations in the Mississippi Valley on a program which would be equitable to all interests involved.

—Willis D. Leet.

Massachusetts

WITH more than twenty members attending, the November meeting of the Massachusetts Warehousemen's Association was held at the Exchange Club in Boston on the 20th. Olin M. Jacobs, Boston, the secretary, announced that reservations for the A. W. A. convention in Los Angeles in January had been made for Samuel G. Spear, president of the Bay State organization; George S. Lovejoy, a past president of the American; John L. Nichols, C. M. Tyler, and himself, and that others were expected.

—S. F. Holland.

Dallas, president of the Texas Warehouse & Transfermen's Association, asked the Nutmeg State body's cooperation toward having the 1930 winter convention of the N. F. W. A. held in Texas. No action was taken.

Illinois A. M. W.

THE Illinois Association of Merchandise Warehousemen held its annual meeting on Dec. 11 at the University Club in Chicago, and the nominating committee, headed by Albert Peterson, presented a slate headed by A. H. Millward, president of Wakem & McLaughlin, Inc., as president. Mr. Millward declined the nomination, saying his business would require every minute of his time the coming year. Accordingly, S. C. Tooker, Jr., the 1928 president, will carry on until the association decides to elect a successor. The others on the ticket were elected, and the 1929 officers and directors are:

President, S. C. Tooker, Jr., operating executive Tooker Storage & Forwarding Co., Chicago.

First vice-president, V. M. Kolly, Crooks Terminal Warehouses, Chicago.

Second vice-president, C. B. Hall, president Danville Transfer & Storage Co., Danville.

Treasurer, Harry Partridge, manager Currier-Lee Warehouse Co., Chicago.

Directors, the foregoing and H. D. Crooks, owner of the Crooks company; J. Edgar Lee, president of the Currier-Lee firm; Elmer Erickson, vice-president Midland Warehouse & Transfer Co., Chicago; Roy C. Griswold, president Griswold & Walker, Inc., Chicago; W. G. Morgan, manager Soo Terminal Warehouse, Chicago; Charles G. Gardner, Chicago; and H. J. Crandall, president Crandall Transfer & Warehouse Co., Moline.

As chairman of the waterways committee, Mr. Lee reported regarding the development of barge transportation from New Orleans to points north, along

Michigan W. A.

THE Michigan Warehousemen's Association has adopted a code of ethics which has been subscribed to by the sixteen member firms. It reads:

"We believe, first, a warehouseman has two things to offer to the public, space and service. He should realize that his business is primarily one of service, and for this reason his purpose should be the entire satisfaction of his customer.

"Second, that he should at all times endeavor to improve his facilities and service so that he may render a full return for a fair compensation.

"Third, he should be honorable and fair in the conduct of his business with the public and with his fellow warehousemen. He should fulfill every contract, whether written or oral, and never at any time make, or permit to be made, either directly or by inference, any remark which might be construed as a reflection upon any fellow warehouseman, his facilities or his service.

Competition

"Fourth, fair and honorable competition is the life blood of business and should be encouraged. Ignorant, irresponsible, and profitless competition are the worst enemies of our business.

"Fifth, every warehouseman should endeavor to maintain good working conditions and fair compensation so that his employees will feel a personal interest in the welfare of the industry.

"Sixth, the warehouseman should devote his time, his talents and his means to the advancement and the improvement of the industry. He should share with his fellow warehousemen any ideas

or plans for the improvement of conditions within the industry.

"Seventh, he should at all times be tolerant and patient, realizing the frailties of human nature, and believing that thorough consideration for, and cooperation with, the public and his fellow warehousemen, much good can be accomplished."

—Lawson.

Minnesota T. O. A.

UNIFORMITY of legislation affecting automotive traffic, and uniformity of traffic laws throughout the country, were discussed at the third annual convention of the Minnesota Truck Owners' Association at the Hotel Nicollet in Minneapolis on Nov. 22. One resolution adopted pledged the organization's support toward decreasing traffic accidents. Attention was called to the necessity for State legislation providing safety measures, reduction of noise, and protective regulation for truck operators. J. E. McReavy, Minneapolis, the president, will appoint a committee to consider these and other legislative problems.

Speakers included Tom Snyder, Indianapolis, secretary of the Motor Truck Association of Indiana, who discussed the relation of the commercial vehicle to city delivery and retail distribution; C. M. Babcock, Minnesota Highway Commissioner; O. H. Shade, secretary of the Dakota Motor Carriers' Association; and G. E. Norberg, president of the Minneapolis Delivery Superintendents' Association.

Mr. McReavy was reelected president and T. A. Horrocks, St. Paul, secretary-treasurer. James D. Ryan was chosen vice-president. It was voted to hold the 1929 convention in St. Paul.

—J. E. Smith.

Montreal

THE members of the Montreal branch of the Canadian Storage & Transfermen's Association have notified local merchants, through the medium of pamphlet and circular letter, that by unanimous decision they have decided that "the practice of granting free insurance to storers against fire hazard and sprinkler leakage will be discontinued on and after Jan. 1, 1929.

The booklet reprints an address on "Warehouse Insurance" read by Arthur McBean, insurance specialist, at the Canadian's association's annual convention in Montreal last summer. The circular letter explains:

"All lots received into warehouse prior to first January, 1929, and accepted on the understanding that the storage rates included free insurance, will be covered until withdrawn from warehouse, but this privilege is not to extend beyond June 30, 1929, after which date, all storers, as formerly, will assume their own risk and at their expense.

"The rate of insurance on contents

Robert A. Weicker



Recently reelected president of the Oklahoma Transfer & Warehousemen's Association, Mr. Weicker is secretary of the O. K. Transfer & Storage Co., Oklahoma City.

of our fireproof building has been reduced to 12½ per hundred dollars per annum, 90 per cent co-insurance.

"We are enclosing a booklet prepared and issued by an insurance specialist in this city, in which is clearly defined the unethical practice of granting free insurance by warehousemen to storers, and condemning the practice as unsound.

"We trust in the best interest of the storer and warehousemen, you will appreciate and endorse the decision of the warehousemen."

Under date of Nov. 1 the Montreal warehousemen issued a set of terms and conditions "in interpretation of, and supplementary to," the Canadian association's standard contract terms and conditions as adopted at Winnipeg in June, 1927.

New York F. W. A.

THE members of the New York Furniture Warehousemen's Association at their December meeting, held at the Aldine Club on the 10th, adopted a recommendation, presented by Thomas F. Murray as chairman of the better business methods committee, that the charges on cartage and labor in and out, on loads not to exceed 500 cu. ft. to and from the warehouse, be increased \$1 each. Effective Jan. 1 the cartage charge becomes \$16, and the labor charge \$6, on jobs below 135th Street on Manhattan Island. A uniform method of charging for a less-than-van lot was discussed, but opinions differed so radically that no agreement was arrived at and the problem was handed back to the committee for further consideration.

The same committee recommended that a notation that interest would be charged if bills were not paid at the

end of three months be placed on customers' bills. A majority of the members of those who voted indicated they would do so.

A set of revised constitution and by-laws was presented by a committee headed by Ernest H. Milligan—designed to meet changed conditions since the association was organized. The articles were gone over one by one and suggestions were made, and a final text is to be presented at the annual meeting, to be held on Jan. 7. Provision is made for a board of directors not to exceed twenty, some of whom may be selected by branch divisions in Brooklyn, the Bronx, Queens, etc., an article embracing the organizing of such divisions being a feature of the revision. The constitution states that the territory covered by the association includes the counties of Sullivan, Ulster, Dutchess, Orange, Putnam, Richmond, Westchester, Rockland, Nassau, Queens, Kings, Suffolk, New York and Bronx.

Barrett C. Gilbert, president, who is eastern vice-president of the Allied Van Lines, Inc., reported AVLIne development to be satisfactory in the East, the New York office having paid out more than \$1,000 in commissions during November. On Mr. Gilbert's suggestion it was decided to arrange a meeting for estimators, to acquaint them with AVLIne's aims.

Approval was given to the application of the Atlas Fireproof Storage Warehouse Co., Inc., in the N. F. W. A.

—K. B. S.

Ohio A. C. H.

THE Ohio Association of Commercial Haulers, through its manager, Frank E. Kirby, Columbus, has started a legislative campaign to secure amendment to the present State law governing operation of motor trucks as common carriers. To the Legislature will be presented a bill intended to remedy what the association considers defects in the public utilities Act.

As the recent election resulted in an overwhelming Republican majority in both branches of the Legislature, the problem of obtaining remedial statutes does not appear, to some, to be so difficult as it might be with an evenly balanced membership politically. For the first time in forty years or more the Legislature is without a Democrat.

An effort is being made to have the Ohio Motor Bus Owners' Association cooperate with the haulers.

Mr. Kirby has sent out to the O. A. C. H. members and others a circular which reads:

"Persecution and oppression under the present application of the Freeman-Collister Act to motor transportation makes it absolutely necessary for all of us to unite and go to the Legislature for relief.

"No special effort has been made on the part of the State to save your business from the law violators, due to the lack of sufficient appropriations to the proper department and the faulty penal section.

"Uncertified carriers are hauling alongside of you, cutting your rates, while you must maintain tariffs under the law.

"When you attempt to comply with the law, for one reason or another, you are immediately met with persecution on the part of the steam and electric lines, and you run the possible chance, through misunderstanding, of having your certificate canceled.

"You are without protection from unlawful competition from within the industry.

"Unscrupulous tariff violations must be stopped.

"When you wish to make a tariff change, whether lower or higher, you are compelled to advertise for three weeks; other carriers can lower tariffs on one day's notice, and increase tariffs within thirty days and without advertising. This is an unjust discrimination against motor transportation.

"When you find it necessary to use additional equipment to take care of the public demand upon your service, you immediately become a law violator. The steam and electric lines immediately attack you as soon as you come in with an application to take care of such increase. They say that as long as they have empty cars, there is no public necessity for your service. The public is denied the right to choose what kind of service it wants, but must patronize the kind of transportation that the self-ordained rail monarchs say they shall.

"You are denied the right and privilege of free American institutions. You become a law violator if you solicit any new business; you are supposed to hide under a bushel basket, and your business is to stand still. You have no right to grow as other American institutions. You must be lazy and sit idle because by your diligence, hard work and earnest effort you are rendering service to the public, and you will require more equipment which you cannot have, because rail lines exist or you must divide up this equipment with your competitors. The public must, therefore, give its business to the other fellow, even though he may not be giving the same kind or character of service that you are.

"If your business today, for some reason or other, falls into the hands of the receiver, the receiver has not the right to transfer your certificate, but if he should desire to sell the business for the benefit of the creditors, he can only dispose of the physical property, thereby denying you or your creditors the full right of transferring the going business.

Public Denied Economy

"The public is denied the economical use of motor trucks where two lines connect, or where two adjoining lines are under the same ownership. An additional burden is placed upon the carrier due to the necessity of transferring freight at junction points and the denial of the use of the truck in joint through service.

"This persecution must be stopped

WITH THE ASSOCIATIONS

and we have every reason to believe that we will receive justice at the hands of this Legislature if we only stick together and make our cause known to them. We have been persecuted about long enough now and I don't think it is going to last much longer, so cheer up a little bit, anyhow, and try to forget the six long years of drudgery, at least long enough to help us put over the job at the next session. We will not be able to do that either, if some of these persecuted truckers don't wake up and come to the front and fight with their association for their own welfare. That is the big job we have right now and the time has arrived when we must all be ready to answer the call and do whatever is necessary in the interest of the industry."

—J. W. Lehman.

Pacific Coast F. W. A.

AT the November meeting of the Pacific Coast Furniture Warehousemen's Association, held in Burlingame, Cal., on the 10th, C. A. Buck, a member who is mayor of Burlingame, discussed "Advertising," and during ensuing discussion it was stated by H. B. Holt and Abe Bekins that sentiment among the members was general that advertising in *Distribution and Warehousing* was a profitable and satisfactory method of drawing attention to the warehouseman's business.

Mr. Buck said his company had used telephone directories for several years, but could not trace results and so gave it up. He added:

"I would not say that telephone directory advertising is valueless. Undoubtedly it has a certain value, which is increasing."

The real issue in getting business, Mr. Buck declared, was the question of service rendered; the employees must be high class, the equipment excellent, and the comfort and consideration of patrons must be the first consideration.

—Clarence Ebey.

A cooperative plan of maintaining among its members a scientific employment record is reported by the Alameda County members of the Pacific Coast F. W. A. to have given complete satisfaction and yielded splendid results.

Previously the available information as to the work of the truck drivers and others, their accidents, lay-offs and other doings affecting their value to their employers, was to a great extent a matter of guess work or recollection by managers or foremen.

Under the new plan a complete record is kept, available to all other firms in the association, of the employee's personal history; previous employment; number and length of absences from work, with the causes therefor; details as to each accident wherein equipment was damaged; the cause, amount of damage and length of time the truck was out of use; records of personal injuries, including their exact nature, their cause, frequency, and the time absent from duty as a result.

The installation of this system was brought about by a number of discoveries which indicated that perhaps haphazard method of settling questions regarding employees and their value to the firms, and their decisions as to matters of policy in this phase of their businesses, were not without decided faults.

Things would occur which brought to light facts that made previous policies seem questionable. Complaints about an employee which did not coincide with reports made by that employee or with opinions held in the firm were a bit unsettling.

So the group agreed to install a record of their employees' history, personal attributes and service with the firm which should show, in unmistakable black and white, easily investigated, just who and what an employee was and had been, what he did for or against the firm's interests, and what he was worth to his employers.

When he applied for employment or began his service with the company he was required to give information for a record as to his family, if married; his life insurance and savings accounts; his last place of employment; whether he left voluntarily or was discharged, and what other training he had had.

As his service proceeded, other records were kept of his "lay-offs," his accidents with the firm's property, and his personal injuries.

After the members had tried their new plan for awhile, they found that certain employees had the habit of "laying off" much more deeply ingrained than did others; and that certain drivers were almost always the ones involved in accidents.

The employers in many instances have used the records as a means of stimulating faithful, careful and efficient service. Bonuses have been offered for those making the best all-around records and also for those reaching a certain standard of efficiency and constancy.

The employers found this a direct aid to better conduct of business, smaller losses from accident, and bigger profits.

The employees found it mighty nice to have a substantial extra check in their envelopes about Christmas time.

—Clarence Ebey.

Providence

THE Master Movers' Association of Greater Providence was organized recently and has among its members about thirty household goods warehousing and moving companies in and near the Rhode Island city. The officers are:

President, J. A. Creamer, manager Cady Moving & Storage Co.

Vice-president, Herbert E. Greene.

Secretary, George W. Jones, president Jones Warehouses, Inc.

Treasurer, James Todd.

—M. S. Sullivan.

Southern

IN addition to the executive elected as directors of the Southern Warehousemen's Association at the organization's

WITH THE ASSOCIATIONS

Distribution and Warehousing
January, 1929

annual meeting in Birmingham in November, as announced in December issue of *Distribution and Warehousing*, were John K. Walker, Jr., secretary of the O. K. Storage & Transfer Co., Memphis, and W. L. Stodghill, manager of the Fireproof Storage Co., Louisville.

The following nominating committee for 1929 was elected: John J. Woodside, Atlanta; W. T. Callahan, Miami, and F. W. Bruns, Bessemer, Ala.

Truck Executives

THE Motor Truck Association of America held its annual meeting in New York in December, and among its directors elected William T. Bostwick, president of the Thomas J. Stewart Co., who is president of the Van Owners' Association of Greater New York and secretary of the New York Furniture Warehousemen's Association.

E. P. McDowell, transportation manager of the Hecker-Jones-Jewell Milling Co., was reelected president and C. M. Billings of the Vacuum Oil Co. was reelected secretary.

The association's program for the coming year, as outlined by the general manager, Theodore M. Pratt, includes opposition to the imposition of a New York State gasoline tax and to the enactment of any measures which would provide for compulsory motor vehicle insurance.

The organization went on record as favoring rigid six wheel trucks for heavy loads instead of four wheel vehicles, as a move to reduce the axle load on the highways.

Association Presidents Are
Optimistic Regarding 1929

(Concluded from page 29)

increasing demand for space in good warehouses, and warehousemen have responded to this demand and have no reason to regret placing their investments in good warehouses. Undoubtedly this demand for warehouse space will increase and certainly will be provided for. Conditions as I see them are improving and the prospects for the future are exceedingly bright.

"With the aim of building up the industry I would like to see more interest taken in local, national and international associations, for there is certainly a big field of endeavor ahead of them, with results in sight, and I would like to see every warehouse represented at an annual meeting where each can learn something to his advantage from those with whom he comes in contact. It is well worth while, and the time is not far distant when the cry will not be 'I cannot afford to go' or 'I cannot spare the time'—it will be 'I cannot afford to stay away' or 'I must take the time.'

"Warehousing is a high class business suitable for honest, capable, energetic men, and to those who are engaged in this line of endeavor for a living I would say that if they will put service

first and cut rates last they have a real future."

Montreal

As president of the Montreal branch of the national association in Canada, Alexander Fleming states that the Dominion warehousemen are looking forward to 1929 "as a year of good business for the industry in general," with the Montreal situation featured by elimination of free insurance and by improved handling and storage rates.

"The reports are good from the western cities," Mr. Fleming writes, "and in the East, particularly in Toronto, Montreal and Quebec, warehousemen have been reporting about 70 per cent occupancy.

"Canada is growing quickly and, notwithstanding the fact that there is available space offering on account of addi-

Business Opportunity

COLD storage properties. Centrally located, western New York fruit belt on New York Central Railroad. Approximately 1,175,000 cubic feet under refrigeration, now filled to capacity.

Excellent railroad facilities; storage-in-transit privileges; private railroad siding; loading platforms. Packing houses.

Further information, principals only. Address Empire Brokers, 152 West 42nd Street, New York City.

tional large warehouses having been built during the past six years, all are fairly well filled. In Montreal there are five large fireproof warehouses, whereas in 1920 there were only two.

"Competition is keener but the warehouses are working cooperatively toward improving handling and storage rates in keeping with costs. The demand is growing for more and more extra services, clerical and otherwise, and charges have been established to cover these services.

"The unsound practice of granting free insurance against fire hazard and sprinkler leakage has been canceled by warehousemen in Montreal, effective Dec. 31, 1928. A booklet has been prepared and mailed to merchants in Montreal showing the dangers that might result to both merchants and warehousemen if the practice was continued. Should any warehousemen wish a copy it can be had by making application to the National Terminals of Canada, Ltd., 50 Gray Nun Street, Montreal."

Toronto

General business conditions in Toronto and vicinity as viewed from warehousing's points of contact "took a turn for the better last spring and have been improving ever since," according to J. H. Warren, president of the Toronto Cartage & Warehousemen's Association.

"Local and long distance cartage and storage of household goods," Mr. Warren adds, "have shown improvement each month in comparison with corresponding periods of the previous several years. We feel now that we have good reason for believing that the present improving conditions will continue throughout 1929 and several years to come."

Winnipeg

Business conditions throughout western Canada "are regarded as especially good, and the country will enter upon the new year in a sound financial condition and with optimism that augurs well for the future," writes Hugh MacKenzie, president of the Winnipeg Transfer & Storage Association.

"So attractive has the western field appeared during 1928," this executive says, "that quite a number of large American business concerns have opened up in our midst and with but few exceptions are patrons of a distributing warehouse. Not less than fifteen have now their distributing offices under one roof.

"Another gratifying feature is that the relationship existing among the warehousemen themselves has wonderfully improved. More regard is paid to the ethics of the business, rate cutting and other unbusinesslike methods becoming less popular day by day. We see nothing whatsoever discouraging in the situation that presents itself here at this moment.

"The service a properly equipped warehouse can render is better understood by wholesale and retail merchants, as well as by jobbers."

British Columbia

Warehousing's 1929 outlook at Vancouver is "indeed pleasant," according to Elmer Johnston, president of the General Cartage & Storage Association of British Columbia.

"The facts are," Mr. Johnston reports, "that the major portion of the large crop which the two western prairie Provinces have enjoyed is finding its way through the port of Vancouver and is stimulating the building industry to such an extent that there has been an increased demand for practically all commodities at this point and vicinity.

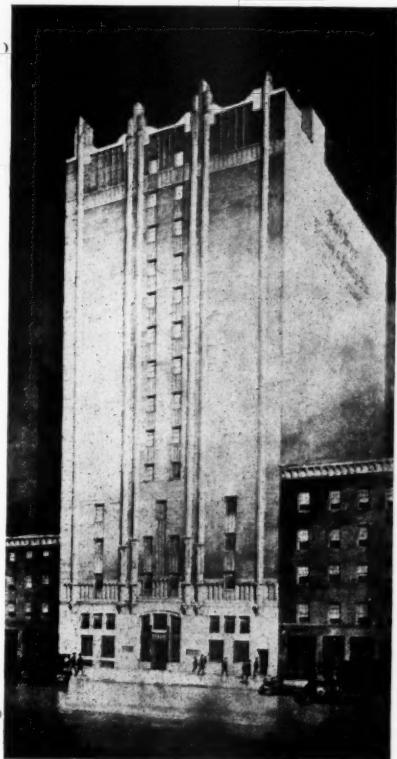
"Also the same condition has stimulated and caused an influx of population, which is absorbing the apartment houses and dwellings, and various other businesses which naturally develop. The shipments over rail lines into this point in November are the highest that ever were recorded in numbers.

"Business in general is exceptionally good, and naturally all these references indicate a prosperous outlook for 1929 for the warehousing industry."

Sofia Bros. to Build

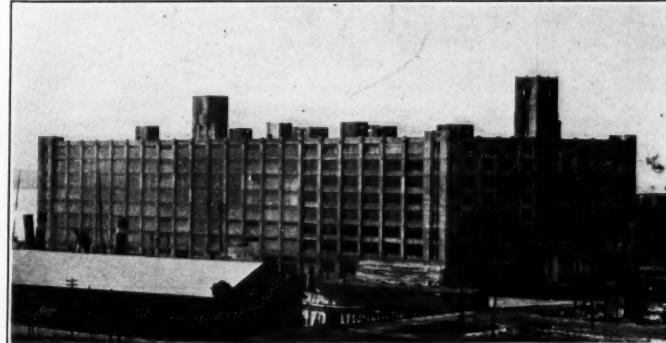
A contract has been let by Sofia Bros., Inc., New York City, for the erection of a \$100,000 household goods warehouse at Broadway and 188th Street. The building will be fireproof, seven stories and basement, 99 by 77 feet.

THREE TYPES OF WAREHOUSES



PORTOVAULT WAREHOUSE

*Day & Meyer-Murray & Young, Inc.
New York City*



RAIL AND WATER TERMINAL

*Canadian Rail & Harbour Terminal
Toronto, Ontario*



COLD STORAGE WAREHOUSE

*Camden Rail & Harbor Terminal
Camden, New Jersey*

REPORTS
DESIGN
SUPERVISION
OPERATION
MAINTENANCE

MOORES & DUNFORD
INCORPORATED
ARCHITECTS & ENGINEERS
110 EAST 42nd STREET
NEW YORK, N. Y.

TERMINALS
WAREHOUSES
REFRIGERATING
& ICE PLANTS
INDUSTRIAL PLANTS
WATERFRONT
IMPROVEMENTS

Story of Milo W. Bekins in the Family Album Series

(Concluded from page 38)

time the Los Angeles plant was four years old Mr. Bekins had inaugurated a system of pool car shipping. There has always been a great deal of moving between Los Angeles and San Francisco. Mr. Bekins had no one in the northern city to handle his pool car shipments satisfactorily, so he opened an office of his own there. In 1901 he established in Oakland. About that time he arranged for an office in Chicago for the assembling of pool car shipments.

In 1905 Mr. Bekins began construction work on the West Coast's first fireproof warehouse in San Francisco. This was partially destroyed in the ruin which followed the earthquake in April, 1906. Also in 1905 he had installed California's first motor vans after having operated horse-drawn vehicles up to that time. A year later he built the first fireproof depository in Los Angeles. The old Bekins plant, located at Fourth and Alameda Streets, has been torn down to make way for new buildings.

Milo W. Bekins, who took active charge of the concern when his father retired in 1916, was literally "brought up in the business." The Bekins warehouse in Los Angeles, after the fashion of California, is an ivy-covered structure set back from the street in a garden that would do credit to any of the city's municipal parks. Just to the left of the office door stands the home where the boy was reared. It was here while in short pants that he learned the intricacies of the business which he now heads. Using his own words, he not only lived in the house but he lived in the business as well.

In 1918 the four children of Martin Bekins—three sons and a daughter—bought the business from their parents. In 1920 they bought the Fresno Transfer Co., operating in Fresno. In 1923 they purchased an interest in the Capital Van & Storage Co. in Sacramento. This latter firm had been in business since 1879, and the Bekins foresight was quick to discern that long distance hauling was to become an important factor in the warehouse industry on the West Coast. The Fresno office is situated about midway between Los Angeles and San Francisco, and Bekins vans now are sure of securing loads in both directions on the trip. There are about 120 vans in the Bekins fleet today. In addition to these, some twenty cars driven by Bekins solicitors may be found in all parts of the State. In 1923 the firm obtained permission from the State Railroad Commission to operate along 1,500 miles of highway up and down the Pacific Coast—a franchise which now is proving to be exceedingly valuable.

During the past few years the company has further expanded through purchases and mergers, and today is operating depositories in Berkeley, Fresno, Hollywood, Oakland, Pasadena, Sacramento, San Diego, San Francisco and Santa Barbara.

"Domi-Domi" a Victim of the Onslaught of Civilization

WITH a sigh that only the age 65 can utter, Nathan Cohen, picturesque San Francisco waterfront character, has at last succumbed to the march of progress and has swapped his horse and wagon for a motor truck.

Familiarly known along the Embarcadero as "Domi-Domi," this proprietor, general manager, majority stockholder and sole owner of a pioneer drayage concern now drives his "fleet" of one motor truck bearing the weatherbeaten sign which used to grace the side of his "spring wagon."—*Neptune Express*.

Born near the 'Frisco waterfront, Domi has seen the horse-drawn street car give way to the electric, the plank sidewalk change to concrete, the sailing vessel with canvas fade behind the modern steamship, and Golden Gate shacks disappear before skyscrapers. Throughout the era he has been doing business near the Ferry Building for about five decades.

The visitor to California does not easily escape the name Bekins. Besides Milo W., the president, in Los Angeles, there is Reed J., treasurer, in San Francisco; Floyd, vice-president, in Fresno; and Abe, a director, in Oakland. Abe Bekins is a brother of Martin, founder of the business. Herbert B. Holt, son-in-law of Martin Bekins, is connected with the San Francisco office. The company is a member of the National Furniture Warehousemen's Association and the Pacific Coast Furniture Warehousemen's Association.

The "home office" in Los Angeles is a concrete structure built in three units, and almost completely covered with green vines. A modest sign post pointing along the graveled walk that leads through the garden discloses its commercial character. Rambler roses creep over the doors at the main entrance, and there are inviting benches scattered here and there through the park. Wide open French windows lead from the office to the lawn beneath. There is an Indian painting done with sympathetic strokes by a well known western artist. There are flowers everywhere—a riot of color against a background of California palms.

The Bekins business has been built up largely on the faculty of seeing ahead and anticipating the trends of the times. Will the business houses of the future, one wonders, go in for gardens and French windows and rambler roses? Or is that too much to hope for?

Universal to Build a Plant in Cleveland

The Universal Terminals Co., Cleveland, has been granted a permit to erect a \$3,500,000 lake front warehouse and dock. Work is expected to start about March 15.

Jersey Warehousemen Lose Fight on Transit Charges

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

THE New Jersey Merchandise Warehousemen's Association lost its fight before the Interstate Commerce Commission to prevent the establishment by carriers of storage-in-transit charges on east-bound traffic at Newark, Port Newark, Port Newark Terminal and South Kearney. The Commission found the charges justified, and a suspension order previously promulgated was vacated.

The railroads propose to establish storage-in-transit charges of 5 cents per 100 pounds on cotton and cotton linters, and \$6.30 per car on general merchandise, except coal, bulk grain, explosives, fertilizers, and other commodities not usually accepted for storage by commercial warehouses, stored at warehouses in Newark and consigned to Jersey City, New York lighterage points, Brooklyn Piers, and the Bronx Terminal.

The Newark Chamber of Commerce and the New Jersey Industrial Traffic League joined with the New Jersey Merchandise Warehousemen's Association in protesting against the charges. They maintained that they compete with the carriers for the storage business in question and insisted that the proposed charges would give the carriers an advantage in securing this business for storage at their Jersey City terminals. They took the position that, if any charges are made for the service in connection with shipments stored in transit, they should be the same on shipments stored at the carriers' terminals as on those stored in their warehouses. The charges were not considered exorbitant.

The Commission found that the proposed charges were "not unjustly discriminatory or unduly prejudicial to protestants" and held that the schedules were justified.

Holman Company Expands

The George B. Holman & Co., Inc., operating household goods warehouses in Hackensack and Rutherford, N. J., has opened an office at Washington and Prospect Avenues, Westwood, in order to extend better service throughout Bergen County, directly across the Hudson River from New York City. The firm plans to cover other points in the county with offices.

Westland to Add Unit

Announcement is made by the Westland Warehouses, Inc., Los Angeles, of a proposed \$100,000 Class A six-story storage building which will be an addition to the company's present plant. Of reinforced concrete and with floors each 82 by 120 feet, the new structure will have 728,160 cubic feet of space. It will be sprinklered and will be served by the Los Angeles Junction Railway, giving access to all the roads entering the city.

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A Great Line of Motor Trucks



for the Hauling Business

The warehouseman or haulage contractor, whatever his requirements, will find suitable trucks in the 1929 International line. Four-wheel brakes on all models. Four- and six-cylinder engines. Speed where speed is needed, and power to spare.

For your own information, study the following listing of models:

Special Delivery: A light, fast truck that is TRUCK all the way through. Ideal for retail delivery work where loads of less than a ton are to be hauled. Speedy, sturdy, economical, and long-lived. Available with regular bodies that any owner can be proud of.

Six-Speed Special: This new truck is the only speed truck of heavy-duty design with six speeds forward and two reverse. Speed truck speed and economy with heavy-duty ability, due to the two-speed rear axle. Recommended for special classes of service.

Speed Trucks: International Harvester has been a pioneer of the speed truck. Years of experience have gone into these models and thousands of them are on the road proving their qualities. Four and six-cylinder trucks in wheelbase lengths and capacities to meet every fast-hauling need. Capacities: $1\frac{1}{4}$, $1\frac{1}{2}$, and 2 tons.

Heavy-Duty Trucks: These good, powerful, solidly built Internationals are available with chain drive or double-reduction drive in capacities ranging from $2\frac{1}{2}$ to 5 tons.

Almost every hauling organization has a place for several of these big fellows for the heavy hauls.

Service: With 170 Company-owned branches in the United States and Canada, plus adequate dealer representation, this organization offers exceptional service facilities. Write for a folder and the address of the nearest branch at which you can see these trucks.

INTERNATIONAL HARVESTER COMPANY

606 So. Michigan Ave.

OF AMERICA
(Incorporated)

Chicago, Illinois

The Family Album Presents Sketch of P. L. Gerhardt

(Concluded from page 39)

to Buffalo Bill and the predecessor of the famous Miller Brothers' "101 Ranch Show," with which it was later merged.

Here the invalid lad from the East was taught to ride—bareback—for he became at once a pet and protégé of the Indian athletes; and here, on the old homestead, he first felt the fascination for a steam engine that later attracted him to the railroad business.

At 15 young Philip traveled for a year with a troupe under the "big top." At the end of that time he found himself with no further yearning for the life of a cowboy, so he bade farewell to the Sioux and Cherokees who had been his staunch friends for so long, and returned to New York to find himself a job.

His love of tractors then reasserted itself. He had always wanted to get into the railroad business, he remembered, and there was work to be had at \$45 a month. The aspiring young "Casey Jones" did not take such a job, however. Looking around him, he saw an office filled with old men—faithful employees who had worked away their lives for \$45 a month. That was not the place for him, he reflected.

So he went to the Bush Terminal, where he could study—and master—all kinds of transportation not confined necessarily to the singing rails.

That was twenty years ago.

The first task assigned to the youth from Kansas was that of checking stray freight, moving huge bundles and boxes to see what marks were on them and making note of their condition for a written report.

In those days the muscles developed on the mid-western prairies stood him in good stead. But it was not for long, as he soon was made a stenographer in the freight department. This exalted position commanded a salary of \$8 a week. Young Gerhardt went to work at 8 a. m. and stayed until the boss told him to go home.

His promotion from then on was steady, with each move a step up the ladder. From steno to tracing clerk, to billing clerk, to assistant to the "over, short and damage" clerk, to assistant claim clerk, he grubbed his prosaic but always hopeful way.

From assistant claim clerk in the freight office he was transferred to the express office as a stenographer, and later he became secretary to the firm's vice-president.

Then there followed another long series of promotions. As chief clerk to the company's superintendent, he was sent to the Bush plant in Brooklyn. From there he was made assistant traffic manager; then traffic manager with the duties of general superintendent.

Came the World War.

In New York, Mr. Gerhardt was commissioned a first lieutenant in the Ordnance Corps, to operate in France.

Congestion in New York became so serious that there was organized a committee known as the War Board, and Lieutenant Gerhardt was returned to Gotham as assistant to the general superintendent of Army transport service, in charge of rail transportation.

The War Board was composed of Cabinet officers, who appointed as their executive officer Irving T. Bush, head of the Bush Terminal interests, and Lieutenant Gerhardt was transferred to the War Board as assistant to Mr. Bush.

Having long since formed the habit of being promoted, Mr. Gerhardt was soon given the rank of captain of the Quartermaster's Corps. Mr. Bush, meanwhile, had been appointed chief of embarkation for the Port of New York, and Captain Gerhardt became his executive officer.

When Mr. Bush retired, his place was taken by a newly-created officer—that of port storage officer. Captain Gerhardt then accepted a commission as major in the regular Army and became chief of operations in the port storage office.

The port storage officer operated all port storage space for the Port of New York—an aggregate of 15,000,000 square feet. He operated also the Hoboken Shore Railroad, as well as the Bush Terminal Army Supply Base in Newark, N. J., and, when constructed and completed, the Army Supply Base in Brooklyn. The port storage officer later became a coordinating officer in all Army activities in New York from the standpoint of supply operations.

On Jan. 19, 1919, Major Gerhardt resigned his commission and returned to the Bush Terminal Co. as manager of operations and traffic—a position equivalent to that of general manager. He later accepted a commission in the regular Army as lieutenant-colonel; and subsequently, still running true to form, he was promoted to the rank of colonel—one of the youngest men ever to be so honored. In due time he was also promoted again in private life—this time being placed in charge of operations and traffic of the Bush company with the title of vice-president, the position he still enjoys.

Colonel Gerhardt's activities in the public storage industry's trade association affairs have been wide and varied. He is chairman of a committee which represents the merchandise division of the American Warehousemen's Association in negotiations with the War Department and the United States Shipping Board to have the use of space in the Government's Army bases along the Atlantic Seaboard discontinued as warehouse facilities in competition with the public warehouse business at rates which are commensurately lower than the tariffs of the storage men operating in the cities where the big war-time depots are located. These negotiations still are pending.

Also, he is one of the men who were instrumental in effecting standardization and simplification of merchandise and cold storage warehouse forms by

Wandell & Lowe Acquire

Pikes Peak Co. in Big Deal

THROUGH a stock purchase in a \$100,000 deal the Wandell & Lowe Transfer & Storage Co., Colorado Springs, Colo., acquired the Pikes Peak Warehousing Co., of the same city, on Nov. 22.

The Pikes Peak firm, established in 1910 and operating merchandise and household goods warehouses at 422 E. Vermijo Street, will be continued in business as an organization separate from the Wandell & Lowe company. The new officers of the Pikes Peak concern are:

President, Henry T. Lowe, president and treasurer of Wandell & Lowe.

Vice-president and treasurer, St. George Tucker, secretary of Wandell & Lowe.

Secretary, Benjamin F. Hough, who was superintendent of the Pikes Peak firm before the merger.

Directors, Mr. Lowe, Mr. Tucker and J. Alfred Ritter.

The Pikes Peak was sold early in 1928 by H. C. Harmon, then its president, and his associates to a corporation headed by Roy G. Cook of Fort Collins, and this corporation has now disposed of the warehouse, built about eight years ago, together with the other physical assets, to the Wandell & Lowe organization.

The Wandell & Lowe company was established in October of 1899 and has developed with the community. In addition to its large warehouse and transfer business it owns the controlling interest in the local Yellow Cab Co. It is a member of the National Furniture Warehousemen's Association, the merchandise division of the American Warehousemen's Association, and the Colorado Transfer & Warehousemen's Association. The Pikes Peak company held memberships in the National and Colorado associations.

Michigan Interests Buy Warehouse in Windsor, Ontario

The Federal Warehouse Co., established in Windsor, Ontario, in 1924, has been purchased by the International Sales, Inc., of Detroit. The Michigan organization announces that the Windsor business will be operated as the International Ice & Cold Storage Co., with a building and alteration program in prospect involving expenditure of \$1,500,000 in order to develop the property into one of the most aggressive warehousing projects in Canada.

The Federal company has been operating a cold storage warehouse business at 1330 Mercer Street, Windsor.

reason of having been a member of the A. W. A. committee which, chairmanned by Alton H. Greeley of Cleveland, cooperated with the Department of Commerce in that movement.

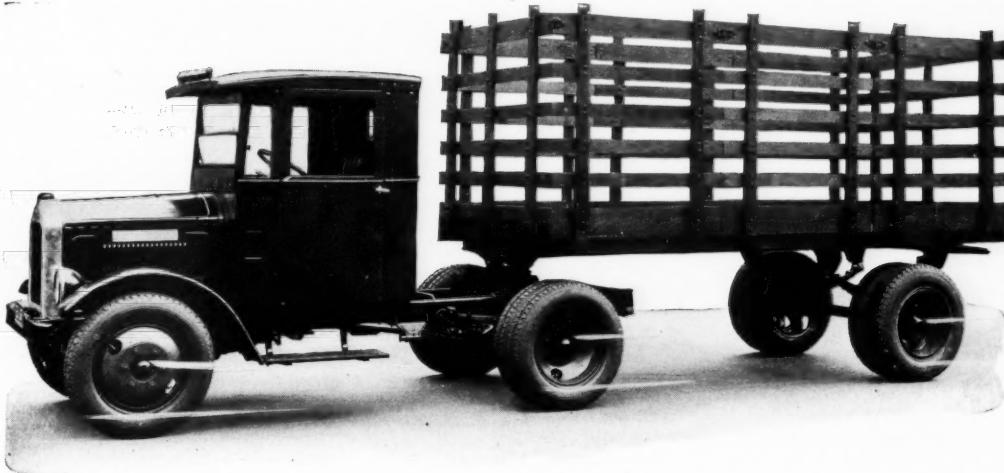
Colonel Gerhardt is married and has a charming wife and daughter.

PROFITABLE, RAPID TRANSPORTATION

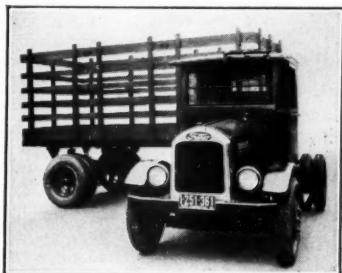
WITH THE

FISHER LAST FREIGHT TRACTOR

AND TRAILER EQUIPMENT



WRITE FOR PARTICULARS OF THIS MODERN UNIT TO MEET
THE INTERCITY HAULAGE DEMAND ESPECIALLY



ALL FISHER MODELS OBTAINABLE IN
TRACTOR WHEELBASES

MERCHANTS' FRANCHISES AVAILABLE
IN A FEW LUCRATIVE TERRITORIES.

"FISHER TRUCKS MADE TO FIT THE WORK"

STANDARD MOTOR TRUCK COMPANY

ALBERT FISHER, President

DETROIT, MICH., U. S. A.

Truck-Terminal Coordination Urged by the I. C. Commission

(Concluded from page 58)

at pier 27, and averaged \$4.57 per ton. Less-than-carload tonnage is handled through the present inland station of the Pennsylvania for \$2.40 per ton, and there is every reason to believe that with greater concentration of tonnage, this cost can be considerably reduced. Moreover, the direct-delivery allowance is bound to be considerably less.

"In every case presented to the Commission in which the measure of rates to or from New York is in issue, the carriers stress the high terminal costs at that point. With the way pointed to them to reduce these costs, and at the same time provide a convenient and needed service to the shippers, the logic of refusal is difficult to fathom. It seems high time that self-interest should no longer be a stumbling block to self-help. In most cities it is quite natural that carriers should prefer a policy of individualism in the matter of freight-station facilities. This because of their desire to afford individual improvements attractive to shippers, or because through fortune or foresight, they are in a little better position than their competitors in the matter of station location.

"But these considerations have no particular significance on Manhattan. All of the west-side lines operate pier stations which in form, at least, are substantially identical. Moreover, any improvements they might make would inure in the end to the city which owns them. It is true that the New York Central has on-line facilities in New York, but that fact need not deter it from participation along with other lines in a universal station. The Pennsylvania had an on-line station at St. Louis, but found it advisable to discontinue it and use the universal off-track stations. The problem will be best approached by a helpful spirit of cooperation, both among the carriers themselves, and between them, as a group, and the shipping public. The New Haven, which has withheld the establishment of inland stations pending the outcome of this case, may now take steps to establish one, keeping in mind the general principles here enunciated.

Examiner's Conclusions

"The Commission should find:

"(1) That it is without power under the interstate commerce Act to require carriers to establish (a) store-door delivery, (b) inland stations for the receipt and delivery of freight, or (c) to equip themselves with motor trucks.

"(2) That the present operation of constructive-station service and of trucking in lieu of lighterage as practiced by the New York Central, Jersey Central, and Baltimore & Ohio, can not be sanctioned because of their plain tendency to create violations of sections 2 and 3 of the Act, and because said services, as now operated, are not com-

NEWS

Distribution and Warehousing
January, 1929

Board Directs Elimination of Army Base Competition

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

THE public merchandise warehouse industry gained a victory when the United States Shipping Board, in recently authorizing the Merchant Fleet Corporation to readvertise the leasing of the Boston Army Base, required that new specifications be provided restricting warehousing that might compete with privately owned or controlled warehouses.

This provision, although tacitly understood in the past, had not been specifically stated in previous advertising. Hereafter it will be put in definite language so that there can be no misunderstanding.

The bids recently received proved to be higher than the Shipping Board considered were justified by the income that would probably be received by the companies leasing the piers. It was assumed that this was because it was mistakenly supposed that a general warehousing business could be conducted. This led to the decision to say in the advertisements for future bids that general warehousing can be conducted only insofar as it does not compete with the business of private concerns.

New bids were received Dec. 17, with the successful bidder to take possession Dec. 31.

Piers thus leased are used for docks, storage and goods in transit. Under the specifications now laid down, private warehousing interests will, it is thought, be amply protected against possibility of the lessee diverting away any of their trade.

(See story on page 86)

Paterson Company Builds

The Safety Storage Co., Paterson, N. J., has completed an addition adjoining the rear of its warehouse at 41-43 Governor. The new unit, of steel and concrete, is 50 by 100 feet and four stories high and gives the firm a total of 40,000 square feet of floor space for household goods and merchandise.

Brown to Manage Toronto Firm

R. W. Brown has been made manager of the Verral Storage Co., Toronto, in succession to Thomas Armstrong, who was killed in an automobile accident in October.

Mr. Brown was formerly chief assistant to Mr. Armstrong.

Bekins Expands to Spokane

The Bekins Moving & Storage Co., operating household goods depositories in Seattle, Tacoma, Portland and Vancouver, has purchased a portion of the Northern Pacific Railway right-of-way in Spokane and will build a five-story reinforced concrete warehouse. Property, building and equipment together will cost \$200,000, according to present plans.

Charles Thomas Austin

Charles Thomas Austin, president and general manager of the Express Parcel Delivery Co., Indianapolis, died on Nov. 15. He was 62 years old.



STERLING MODEL DW18
206" Wheelbase — equipped with
38" x 7" pneumatic tires, dual in
rear, with Van Body — 18' x 7' x 7'.

Again They Buy a Sterling!

THE Powelton Storage Company of Philadelphia bought two Sterling DW18's in the Fall of 1927. Throughout the year these trucks were subjected to hard gruelling service with heavy loads the rule, day in and day out.

So satisfactory has been the performance of these trucks that when the company required additional equipment this year, they again specified Sterling. It just had to be a Sterling!

This splendid endorsement of Sterling performance is but a typical example of how countless Sterling Owners solve their hauling problems. Why not put Sterlings to work for You—so that you too, are assured of satisfactory hauling equipment.

See our models on display at the Sterling factory branch near you.

STERLING MOTOR TRUCK CO., Milwaukee, Wis.
44th Ave. and Rogers St.

27 FACTORY BRANCHES

DEALERS IN ALL PRINCIPAL CITIES

Sterling
Sixes

The Most Complete Line of Motor Trucks in the World!

I.C.C. Reverses Position in Baltimore Warehouse Case

(Concluded from page 46)

status of the parties with respect to the transportation or the obligations of the railroad as a common carrier.

The McCormick company contended that the payment to the Terminal company by the Pennsylvania was simply a bribe to secure the haul of all the freight handled by the Terminal. While in recent years the railroad has named the Terminal warehouse as one of its Baltimore freight stations, it was shown that the warehouse is never used by the general public for receipt and delivery of freight except freight on which some of the warehouseman's services are desired.

The Commission agreed that the primary consideration for the payment to the Terminal company was the assurance of the routing of all its traffic over the Pennsylvania.

The Commission ordered the Pennsylvania to stop calling the Terminal warehouse one of its stations and to cease its allowances to the Terminal for loading and unloading package carload freight, and said:

"While the Terminal is not the owner of the goods received and shipped by it, all of the dealings of defendant Pennsylvania Railroad Company are with the Terminal and none with the owners of the goods. As to many of the inbound shipments, the Terminal is the only party to whom delivery of the goods could be made as carload shipments, the real owners being out-of-town concerns which ship to the Terminal for distribution in less-than-carload lots. It is our view that the Terminal, even though not the owner of the goods, has been given dominion over such goods for transportation purposes, and that, accordingly, for transportation purposes it should be deemed the consignor of shipments from and consignee of shipments to its warehouses. The same is true as to complainant, McCormick Warehouse Company, shipments to its warehouse being handled in substantially the same manner.

"We find that the practice of defendant in making allowances to the Terminal for performance of terminal services in connection with the loading and unloading of carload package freight at Baltimore (except hay, straw and flour at its hay and flour warehouses, as to which we make no findings), and refusing to make similar allowances to complainant for performing similar services, results in unjust discrimination, in undue preference of the Terminal, and in undue prejudice to complainant.

"The discriminatory and preferential allowances should be cancelled, and defendant should also cancel its tariff provisions which make the warehouses of the terminal, other than its hay and flour warehouses for the receipt and delivery of hay, straw and flour, a part of its station facilities, which tariff provi-

sions, in our opinion, are nothing more than a device to attempt to lend legality to the payment of rebates to the Terminal."

—H. D. Ralph.

Kansas City Firm to Build

The United States Cold Storage Co. is starting a \$1,000,000 addition to its present plant in Kansas City and expects the new unit to be in operation in about six months. The addition, eight stories, will be identical with the building already in use. The two units will be joined by a five-story connecting section, 55 by 100 feet, to be used for loft purposes.

In preparation for the expansion, the company has spent \$250,000 in recent months in enlarging its refrigeration machinery to serve the new addition. Trackage space will be increased to accommodate twenty more cars, enabling the plant to handle fifty cars at a time.

With the completion of the new unit the Kansas City plant of the company will have a 1700-car capacity. The new building will comprise 2,200,000 cubic feet.

Birmingham to Assess Stocks in Storage

UNDER a provision in the new city code of Birmingham, Ala., public warehouses in that city are required to make regular reports, to the municipal authorities, showing all persons and concerns having goods stored.

These reports are called for between Jan. 1 and 15 and July 1 and 15 each year.

It is explained that the purpose is to prevent corporations located outside the city from storing in the Birmingham warehouses without paying city license fees when such corporations, without maintaining regular places of business in Birmingham, sell goods in the city with orders for distribution going to the warehouses where the merchandise is being held.

B. & M. Expand Delivery By Motor Truck

Further extension of the motor truck operations of the Boston & Maine Transportation Co. went into effect Dec. 10. Twenty-one Massachusetts stations not previously served along the Boston & Maine system were added to the co-ordinated rail and highway freight service.

This makes 80 B. & M. stations receiving truck delivery and pick-up service from Lawrence, alone, and totals 189 stations served by the transportation company's fleet of 171 trucks operated from Lawrence and seven other centralized freight handling points in New England.

Truck Drivers Hug Edge of Road, Official Survey Shows

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building

TRUCK drivers stick closer to the edge of the road than operators of pleasure cars, the United States Department of Agriculture has learned after an unique survey.

The inquiry was made by the Bureau of Public Roads for the sole purpose of observing how far from the edge of the pavement drivers go and what position of the road is taken on down grades and around curves.

The survey revealed two important things. First, motorists need a 20-foot road; and second, automobiles are driven by instinct.

"Having marked off pavements into one-foot sections," says the department, "the engineers, by watching the right rear wheels of passing vehicles, find that on straight and level roads of various widths from 14 to 24 feet, with shoulders in fair condition, passenger car drivers habitually maintain distance of from 1½ to 4 feet between the outer wheel and the edge of the pavement. Truck drivers operate somewhat nearer the edge, but prefer not to approach closer than 1½ feet. Drivers will sacrifice clearance between their own and passing vehicles rather than drive closer to the edge than they instinctively feel is safe."

The Bureau's observations indicate that pavements less than 18 feet wide are decidedly too narrow, as they provide no clearance for passenger cars or trucks operating in the usual paths. While the 18-foot width is apparently great enough for passenger cars in two-lane traffic, it is not quite wide enough for trucks. The 20-foot width gives ample clearance for trucks and is not excessive for automobiles.

"In moving down hill on light grades, traffic moves slightly toward the center of the road," says the department. "Light down grades do not suggest reduction of speed, hence traffic takes the precaution of moving slightly away from the edge of the pavement. No such tendency was observed on heavy grades where the speed is reduced, and the instinctive fear of the pavement's edge is lessened.

"In rounding horizontal curves, traffic, in general, shifts toward the inside edge, but the trucks shift their courses toward the inside of the curve less than passenger vehicles. Under all circumstances, truck drivers are found to adhere more closely to the edges of the pavement than operators of passenger vehicles."

Traffic moving on the outside of the curve shifts its course farther in the direction of the inside than traffic moving in the opposite direction, which is limited in its choice of a course by the proximity of the edge of the pavement, it was found. Unless, therefore, the pavement is widened on the curves, the normal straight road clearance between the two lines of vehicles is reduced.



THESE SPECIAL BUILT MODELS FOR FAST LONG DISTANCE SHIPPING SERVICE

HAVE BEEN PROVED BY MANY TIMES
THE DISTANCE AROUND THE WORLD

ATTERBURY 2½ and 3½ ton long distance Sixes have been serving critical Warehousemen over a year. These Atterbury Sixes have been proved under the severe grind of fast long distance hauling.

They combine high speed, large body capacity, air brakes, smart appearance with proven durability. Standard parts assure prompt service anywhere.

If you want to do more business over a greater territory at a greater profit write for The Facts on how these two Atterbury models are designed to do that job.

SPECIAL FLEET OWNER DISCOUNT

to warehousemen on direct-with-the-factory sales

ATTERBURY MOTOR CAR CO.

Elmwood Avenue, at Hertel Buffalo, N. Y.

ATTERBURY MOTOR CAR CO.,
Elmwood Ave., at Hertel, Buffalo, N. Y.

Please send me the facts on how practical warehousemen helped design your Atterbury Long Distance Specials.

Also advise Warehousemen's discounts.

Name _____

Address _____



Inquiry Ordered into Use of Carriers' Container Cars

RATES, charges and practices of the railroads in connection with the use of "container" cars are to be investigated by the Interstate Commerce Commission on its own initiative. The order directing the inquiry was issued in December and reads:

"It appearing that there has been filed with the Commission by the Missouri Pacific Railroad Co. a tariff containing rates on merchandise, loaded in containers, between St. Louis and various points, and the legality of such tariff being under consideration in a separate investigation, and

"It further appearing that the matter of container cars and the use thereof being of primary and increasing importance to the shipping public and to the carriers,

"It is ordered that the Commission upon its own motion, enter upon an investigation into the rates, charges, rules, regulations and practices of common carriers by railroad subject to the Interstate Commerce Act incident to the use of such equipment, said investigation to include a full inquiry into the ownership, operation, use, management or other enjoyment of such facilities, the history of the service to date, the rates charged or to be charged for this service, the character and complete operation of the service, any contractual arrangements, express or implied, with persons, firms, or corporations, which have any bearing upon or affect in any manner the charges paid by the shipping public or the revenue received by the carriers using, or purposing to use containers, and any and all other information germane to the subject matter of the inquiry, in so far as it relates to interstate or foreign commerce, with the view of determining whether the present rates, charges, rules, regulations and practices of respondents or any of them are just, reasonable, or in any respect in violation of law and of making such findings and orders in the premises and prescribing such just, reasonable and lawful rates, charges, rules, regulations, and practices, and taking such other and further action, as the facts and circumstances may appear to warrant.

Barge Lines Included

"It is further ordered that this order be served upon all class-I carriers by railroad in the United States, and upon the Mississippi-Warrior Service, Transmarine Lines (Canal Division), American Barge Line Company, Westwego Petroleum Barge Line, Inc., Marrero Barge Line, Inc., Coastwise Steamship & Barge Company, Chesley Tug & Barge Company, and that such carriers be, and they are hereby, made respondents to this proceeding.

"It is further ordered that this proceeding be assigned for hearing, along with I. & S. Docket No. 3198, at the office of this Commission at Washington, D. C., at 10 a. m., February 6, 1929, before Commissioner Porter and Ex-

aminer Ames, and at such other times and places as the Commission may hereafter direct."

Fidelity Has New Warehouse in New York City

The new fireproof warehouse which has been under construction at 87th Street and Lexington Avenue, New York City, for the Fidelity Storage Warehouse, operating a household goods business, opened for business on Jan. 1. Of steel construction and embodying the most modern in storage practice, the plant is twelve stories high, including basement, and adds 110,000 square feet to the company's space.

Charles A. Collins, president of the Fidelity, announces that the older unit, at 107-109 W. 96th Street, will be used as heretofore, for household goods storage, but the firm's main offices will be established in the new building.

Business Opportunity

STORAGE warehouse, including machine shop. Established over 20 years. Two stories, 48 by 90 feet. Ample room for expansion.

Well located near main street, city of 6000 population, New Jersey.

For further details write or wire Empire Brokers, 152 West Forty-second Street, New York City.

Rockford Firm Expands

The Sovereign Storage & Van Co., heretofore conducting a household goods warehouse business in Rockford, Ill., has purchased the building known as the Northern Illinois Warehouse, containing 42,000 square feet of floor space. The acquisition gives the firm more than 75,000 square feet.

G. W. Hawn, for several years associated with Archie S. Richard, president of the Sovereign company, will have charge of the merchandise warehouse.

Uniform Accounting Ordered by California Commission

(Concluded from page 49)

and premium or debiting or crediting profit and loss accounts, contra credits and debits shall be made to the appropriate ledger accounts. In stating the balance sheet the total of the net debit balances remaining in the several ledger accounts shall be reported under balance sheet account 112, "Unamortized discount and expense on debt" and the total of the net credit balances remaining in the several ledger accounts shall be reported under balance sheet account 159, "Unamortized premium on debt."

(The next part of the California system—Balance Sheets Accounts, Asset Side—will appear in the February issue.)

Warehouse as a Factor in Distribution in Canada

(Concluded from page 35)

factured goods in his line and he decides that the best way to meet that obstacle is to put himself in a position to stamp his goods "British Made for British Trade" or "Canadian Made for Canadian Trade" just as many of his competitors are doing;

"When he finds that his American goods have to be changed to meet the requirements of the Canadian or British markets and he has to put in new machinery and equipment in any event to meet those requirements:

"When he finds that the Canadian market requires closer study and cultivation than absentee treatment can give.

"Those are the mile-stones. Many American manufacturers have not reached them in their Canadian or British Empire trade. But in the next few years many of them are going to anticipate their arrival eventually at one of these mile-stones and, by putting up their plants in Canada in the near future, will start to paint in a background of consumer preference and public goodwill."

Warehouse Chauffeur Puts Out Fire on Passing Car

The "value of carrying fire extinguishers" on warehousemen's trucks is emphasized in a letter received by *Distribution and Warehousing* from Thomas F. Healey, Jr., manager of Thomas F. Healey & Sons, household goods warehousemen in Brooklyn. He writes:

"Recently one of our trucks was returning from a long distance trip when our chauffeur noticed a touring car speeding along with the brakes burning. Our chauffeur attracted the attention of the driver of the touring car just as the car was beginning to blaze. In one minute our chauffeur put out the blaze with part of the contents of our fire extinguisher which we always carry on our trucks."

Realtors Broadcast from Hollywood Warehouse Station

Most warehousemen agree that bringing people in their places of business is a splendid form of advertising. The Hollywood Storage Co., Hollywood, Cal., is scoring success along this line through the instrumentality of its radio station, KMTR. The Los Angeles Realty Board is conducting a six-month radio broadcasting program over KMTR. Every Monday evening a prominent citizen accompanied by musical program, is sending out messages sponsored by the Title Insurance & Trust Co., Los Angeles, telling the unseen audiences the development which southern California seems destined to experience in coming years.

The programs are advertised in the newspapers, and the Hollywood firm gets additional publicity because the station call "This is KMTR, located in the Hollywood Storage Co. building, Hollywood," is frequently given.

SERVING YOUR INDUSTRY

THERE'S a practical, proven way to haul more for less that's rapidly becoming the standard in the Distribution and Warehousing industry.

Illustrated on this page are three types of Fruehauf Trailers being used by well-known organizations. And here's how these Trailers are cutting haulage costs:

Semi-Trailer

Shown below is a Fruehauf Semi-Trailer of 1200 cubic feet capacity—pulled by a light tractor-truck. Such capacity for a motor truck alone would call for one with special bus-type chassis—the cost of which would be far greater than that of the truck-and-trailer unit. Pneumatic tires all around permit this unit to make good speed and also protect the load. The Semi-Trailer is quickly detachable—thus enabling the power plant to be used with other Trailers or for other hauls.



Straight Frame Fruehauf Semi-Trailer

Drop-Frame Semi-Trailer

The next illustration shows another type of Fruehauf and another use for the Trailer. This is the drop-frame Semi-Trailer. A Fruehauf "Dolly" under the front end of the second Trailer temporarily converts it into a 4-Wheel Trailer and doubles the load.

Either of these Semi-Trailers may be directly coupled to the tractor-truck. This complete unit is of very low cost for one of such capacity. In fact, the total average cost of the tractor-truck, 2 Fruehauf Semi-Trailers and Fruehauf "Dolly" is from 30% to 40% lower than that of the number of motor trucks which would be required to carry the same load.

Four-Wheel Trailer

The other picture shows a third type of Fruehauf—the 4-Wheel Trailer. Because of its low first cost this Fruehauf serves as an accessory unit. It almost doubles

the load of the motor truck and is used for loads too large for the truck to handle alone and too small to warrant the use of two motor trucks. The gas and oil costs of the motor truck go up only 10% to 20% when pulling this 4-Wheel Fruehauf loaded. When not required, the Trailer may be left idle without incurring a noticeable depreciation loss.



Drop-Frame Fruehauf Semi-Trailer

Fruehauf Facts

In conclusion, here are many vital reasons why leaders in the Distribution and Warehousing industry are served best by the Fruehauf Trailer method of haulage:

The first cost is lower per load. Operating costs are a great deal lower per ton mile. Depreciation costs are at the minimum because the average Fruehauf Trailer lasts for 250,000 miles, while the average motor truck is fully depreciated after 100,000 miles. Idle time costs less because of the lower first cost and depreciation expense. And when two Trailers are used at one trip only one driver is needed. Finally—you can operate a fleet of Trailers using lighter motor trucks without having to make a tremendous investment in equipment.



Fruehauf Four-Wheel Trailer

Trailer Leadership

As the Oldest and Largest Manufacturers of Trailers we can supply you with Semi-Trailers, Four-Wheel Trailers, Adjustable Pole Trailers and Heavy-Duty Carryalls. Fruehauf Branches and Distributors are located in all Principal Cities. Write for details about costs, etc.

HAUL MORE FOR LESS



WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

TRUEHAUF TRAILER CO., 10936 Harper Ave., Detroit, Mich.

Fruehauf Trailer Company of Canada, Ltd., Toronto, Ont.

Boston Warehousemen See No Need for Creating Free Port

WILL Boston be the first city in the United States to have a "free port"? Will there be enough new business come to Boston or any other city in the United States to warrant such an undertaking? Is there an actual need for a free port in Boston or at any of the other ports in the country?

These are some of the questions being asked in Boston warehousing, shipping and transportation circles since the announcement of the proposed thirty to forty million dollar port development project was launched at the Boston Port Development Co. dinner in Boston on Dec. 4.

All of the State, city and Chamber of Commerce officials, as well as the group of New York and Chicago influential business men, who were present at the dinner and heard outlined the plan to make Boston one of the greatest ports in the world, expressed approval, but none would say whether outside money would be used.

The proposed development comprises \$50,000,000 square feet of mostly filled-in land extending out toward the harbor channel from the East Boston side where the Boston airport is now situated. Some of this land was of the holdings of the East Boston Co., which the Port Development Co. took over several weeks ago.

The project includes a great "free port of Boston," to serve as a "foreign" port outside the protective tariff wall; the construction of new piers and docks of modern type; lighterage service; unification of railroad lines with ample warehousing, shipping and railroad facilities; industrial buildings, two airports with large landing fields, one for commercial and the other for air mail planes; a port village to house those employed; and also other undertakings. To complete it it would take from three to five years.

Mayor Nichols of Boston, who spoke favorably of the project, said it was the sense of those present that this huge port development, the coming East Boston vehicular tunnel, and all existing and other contemplated waterway undertakings at Boston's port, should be taken from State control and placed under a proposed Boston Port Authority, similar to the one that flourishes in New York. Mr. Nichols claimed that such a body, properly functioning, would unify the Hub's transportation terminals, reducing present freight and switching charges besides speeding up goods in transit, thereby greatly increasing Boston's commerce. He said it was his intention to have a bill introduced in the Massachusetts Legislature, which convenes the first of the year, to establish such a Boston Port Authority.

Boston warehousemen who have been following the development of Boston's port facilities, particularly since this project was launched, say that a "free port" cannot be established unless by

special Act of Congress. While they do not want to throw any cold water on the plan they claim that Boston's present bonded warehouses are more than sufficient in number to handle the local warehousing situation for some time to come.

"Although it is just possible we may have one some day," to quote one of the warehousemen, "the establishment of a 'free port' for Boston or any of the other ports in the United States would create a new warehousing situation for that particular port but would not in any way affect the present business of our bonded warehouses.

"The 'free port' idea is not new to Boston. This question of a 'free port' has been looming on the horizon many years, not only for Boston but also for other ports in the United States. About eight years ago Mayor Fitzgerald featured it in his inaugural address. Later it was talked of for the Boston Army Base, and subsequently it was to be one of the features of the Victory Terminal plant at Squantum. But nothing came of it. Like everything else, it has its advantages and also its disadvantages.

In discussing how a 'free port' differs from a bonded warehouse, he said:

"A 'free port' is a circumscribed area set aside for the landing, storage, mixing, blending, repacking, manufacturing, and reshipping of goods without payment of duties and without the intervention of customs officers. This zoning area affected is subject to all the laws of the territory adjacent. A warehouse in a so-called 'free port' is only one of the many units in this circumscribed area. There can be other units, such as docks, industrial buildings, etc."

Continuing, he said:

"There are manufacturing bonded warehouses in this country which serve nearly the same purpose. Permission has been granted to their owners for classification and repacking of goods or merchandise stored therein.

"Under the present system in the bonded warehouses foreign goods may stay there without payment of duties up to three years and then be exported anew, only they must remain in their original condition. Articles manufactured in this country, wholly or partly, of imported material may be exported and 99 per cent of the duty paid be refunded; and this it is claimed is the 'drawback,' which has been in use since Alexander Hamilton's time, 1791-1794, when, as the first Secretary of the Treasury in Washington's Cabinet, the first tariff law was enacted.

"Now, there are no 'free ports' in the United States and there can be none until Congress passes an enabling Act. There is today no authority for their establishment in this country. The actual necessity of creating 'free ports' in the United States is a question in the minds of many clear-thinking people. The general public as well as the warehouse and kindred industries are wondering what benefits, if any, would accrue from having 'free ports'

Report of I. C. C. Examiner in Port Terminals Inquiry

(Concluded from page 31)

switching charges, for transferring commodities, from the time they leave the "line haul" to the time they are discharged on dock at shipside, or to adjacent sheds, under circumstances that the railroad has no further responsibility for their physical movement. The term includes wharfage, if any; also dockage, if any; also storage incident to the movement in regular course of transportation; it does not include "warehousing" for general storage purposes, nor does it include "elevator" service.

"The term "rail-water" terminals, as herein used, means a rail terminal at a port at which ocean-going vessels, operating in coastwise or foreign water-borne commerce, take on or discharge cargo."

"It is observed that the terms accessory or terminal charges were intended to describe all charges for services of whatever nature necessary to transfer export, import, coastwise and inter-coastal shipments between cars and shipside. In other words, the services on which cost figures were sought in this embrace every service beyond the rail ends at the ports.

"A motion was filed by the Port of New York Authority requesting that lighterage and car-float service be excluded from investigation in this proceeding. One of the principal services required on export and import traffic at New York is lighterage, and it was argued on behalf of the Port of New York Authority that to include lighterage and floatage at New York while switching costs at other ports as well as at New York were excluded would 'cause * * * the injection of collateral and irrelevant issues.' The motion was denied, as very substantial switching services are performed at New York harbor from the break-up yards to the water-front in addition to the lighterage service."

Would Operate 'Frisco Warehouse

Frank L. Nolan, doing business at 180 Townsend Street, San Francisco, as the Frank Nolan Drayage Co., has applied to the California State Railroad Commission for a certificate of public convenience and necessity to operate a public warehouse in San Francisco.

over the present well established system. Europe has many free ports. There are more than a dozen in Germany, Sweden has three, and there are others in Continental countries, but that is no criterion to go by.

"If it comes, the creation of one in Boston would be the first of its kind in the United States and if established would create a new warehousing situation which we would have to meet.



"Bet that guy is kicking about tire mileage! Wonder if our duals are wobbling like that?"

"Say, ignorant, don't worry about ours. We're on BUDD DUALS!"

• • •

WITH Budd-Michelin Duals, 125,000 buses and trucks—many of them carrying loads of four and five tons—are averaging from 15,000 to 20,000 miles to the set of tires. Higher tire mileages are common.

And here's another thing that runs into important currency—Budd Duals can save you from \$300 to \$400 per truck on the

initial cost of tires, and give you greater load capacity besides!

Such things as this are worth finding out about, whether you have one truck or a hundred on your payroll.

Write us. We'll send you facts that are making truck owners say "Budd Duals" for every new addition to the fleet.

BUDD DUALS

Can't wobble—



Can't Shimmy—



And they stop side-sway!



BUDD WHEEL COMPANY, DETROIT

© B. W. Co., 1929

Boston Army Base Lease Is Awarded to Bay State Firm

FOLLOWING the action of the United States Shipping Board in authorizing the Merchant Fleet Corporation to re-advertise the leasing of the Boston Army Base—as set down in Washington correspondence on page 78—the Board opened the new bids on Dec. 17, and on the following day it awarded the five-year lease of the warehouses and piers to the Bay State Shipping Co. of Boston.

The Board considered the Bay State firm's offer the most attractive one. Its proposal is to turn over to the Board 37½ per cent of the gross operating revenue and to make a minimum guarantee of \$85,000 annually. This is more than twice as much as the Board obtained in rent under the former lease. It is substantially larger percentage of the gross receipts than was offered by any other of the bidders, and in amount of minimum guaranteed return is nearly double that offered by the second highest bidder and three times that offered by the two lowest bidders. The Bay State takes over operation after Dec. 31.

Four other bids were submitted. The William J. O'Toole Stevedoring Co., New York, made an offer of 28 per cent of the gross operating revenue and a minimum guarantee of \$40,000 a year, and coupled with the offer a guarantee to organize a Boston company to operate the terminals. H. G. Perry, Boston, submitted a bid of 26 per cent and a guarantee of \$45,000; the Atlantic Tidewater Co., 20 per cent and \$35,000; and the Wiggin Terminals, Inc., Boston, 19 per cent and \$32,500.

Several of the unsuccessful bidders are said to contend that the Bay State company's proposal would be impossible of fulfillment, on the theory that it undertook to give to the Board a larger share of the gross receipts than would prove possible in actual operation.

The Bay State Shipping Co. is a newly-organized Boston concern with offices in the Board of Trade Building, at 131 State Street. A reorganization of the company is understood to be contemplated. Its present officers include Captain Charles H. Hurley, Jr., Newton, Mass., president and treasurer, and Walter W. McCoubrey, Lexington, Mass., vice-president. Captain Hurley is a graduate of the Massachusetts Nautical School and a former Boston representative of the Jarka Co., New York, contracting stevedores. Mr. McCoubrey was formerly a Custom House broker and forwarder.

Following award by the Board, Captain Hurley announced that business at the Army Base would be transacted along the same lines as conducted under the lease now expired. The property has berths for nine ocean-going steamships in addition to three berths used for Army purposes.

Midland Company Rebuilds

The Midland Warehouse & Transfer Co., Chicago, is removing the entire front

of its reinforced concrete five-story building, at Western Avenue and Fifteenth Street, for a depth of seventeen feet, and replacing with pressed brick and terra cotta, at a cost estimated at \$200,000. The improvement is necessitated by the widening of Western Avenue.

Thomas Honored by Club Presidents

Oscar W. Thomas, secretary and treasurer of the A-B-C Fireproof Warehouse Co., Kansas City, was elected chairman of the Club Presidents' Round Table of Kansas City, on Dec. 16.

Mr. Thomas is president of the Kansas City Rotary Club and of the local Council of the Boy Scouts of America and is one of the "generals" in the city's Allied Charities.

My Control Holdings for Sale

IN one of the finest fireproof warehouses in the city of Chicago.

Over 40,000 square feet. Ideally located in best residential district.

This property recently appraised at \$250,000 by public appraiser.

It will take \$50,000 to handle the deal. Well financed.

Address Box E-516, care of Distribution and Warehousing, 249 West 39th Street, New York City.

Kings Retire Temporarily from Warehousing in Boston

TARRANT P. KING, who for nearly four decades has been interested in the operation of various warehouse properties in Boston, temporarily lessens his activities in the industry Jan. 1.

On that date Mr. King and his son, T. Appleton King, sever their connection with the Fort Hill Storage & Warehouse Co., of which they were respectively president and treasurer.

H. W. Horton, for the past four years manager of the Fort Hill concern, also retired Jan. 1 to accept a position as assistant warehouse manager of the new North Station Industrial Building, Inc., which will open Feb. 1 in Boston.

The senior Mr. King is still president of the Northern Avenue Stores & Dock Corp., which operated warehousing on Congress Street, South Boston, up to last March, when the lease expired. Both he and his son plan to reenter warehousing in the near future.

One of the two buildings of the Fort Hill company will be given up and the other is being taken over for operation by the Fort Hill Storage & Trucking Co., a new firm, under the management of Arthur E. Planten, of Melrose, Mass., who for sixteen years has been bookkeeper in connection with Mr. King's warehousing interests.

Michigan Terminal Company Reorganizes as Corporation

THE Michigan Terminal Warehouse Co., established in 1925 and operating a merchandise storage plant at Brandt Avenue and Wyoming Boulevard, Detroit, has been reorganized and is now known as the Michigan Terminal Warehouse Corporation.

The capital structure of the new corporation, which took over the assets and liabilities of the former company, is 10,000 shares of no par value stock authorized, with 6822 shares outstanding, according to Wellington F. Evans, the president. In addition there is outstanding \$665,000 of serial bonds, the new corporation having a net surplus of approximately \$1,000,000, with no indebtedness except the serial bonds and its customary current accounts.

The Michigan Terminal Warehouse Corporation wholly owns two subsidiary companies—the Terminal Sales Corporation and the Maytag-Detroit Co. The Terminal Sales Corporation acts as sales representative for the warehouse and represents also clients of the warehouse in the sale and distribution of their products, as well as supplying market surveys for clients. The Maytag-Detroit Co. acts as distributor of Maytag washing machines in the Michigan territory, engaging in both wholesale and retail distribution.

The officers and directors of the Michigan Terminal Warehouse Corporation following reorganization are Wellington F. Evans, president; Robert McB. Grindley, first vice-president; John L. Lovett, second vice-president; E. L. Rice, secretary; R. B. Berry, treasurer; Edward A. Loveley, W. Howie Muir, Walter F. Tant, H. H. Smith and E. E. Keller, directors.

The property of the corporation consists of two strictly modern fireproof Class A warehouses, together with fourteen and a half acres of land served by all the railroads entering Detroit. The company will engage in all kinds of storage, as well as outside storage, bulk liquids, etc. Special facilities are being installed for particular needs of clients.

Mr. Spear's Sister Dies

Miss Annie R. Spear, of Winthrop, Mass., only sister of Samuel G. Spear, president of the Massachusetts Warehousemen's Association and treasurer of the Wiggin Terminals, Inc., Boston, died on Dec. 17 after a brief illness.

Miss Spear was for many years actively interested in the work of the Women's Christian Temperance Union and in the affairs of the First Baptist Church of Winthrop.

Several months ago Mr. Spear suffered the loss of another sister.

Throughout 1929

The one existing reference volume of its kind—the annual Warehouse Directory. Use it when making shipments.



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Construction, Removals, Purchases and Changes

Arkansas

LITTLE ROCK.—Arkansas Cold Storage Co. has plans for a \$130,000 6-story warehouse which will increase the firm's space to 500,000 cubic feet from 200,000 cubic feet.

California

San Francisco.—Bekins Van & Storage Co. has awarded a contract for the construction of a \$100,000 8-story warehouse, 60 by 100 feet, at Geary and Emerson Streets.

Torrance.—Union Ice Co. of San Francisco is planning a \$45,000 cold storage warehouse and ice plant on Western Avenue near 218th Street, Torrance.

Vernon.—Westland Warehouses, Inc., of Los Angeles, has awarded a contract for a \$110,000 warehouse in Vernon.

Canada

Ontario, Prescott.—Department of Public Works, Ottawa, has plans maturing for a terminal project in Prescott, to be known as the Great Lakes Terminal. It will include a warehouse and wharf costing \$800,000, a \$2,000,000 grain elevator, and other structures.

Connecticut

Bridgeport.—Connecticut Warehouse, Inc., has filed notice of company dissolution under State laws.

Meriden.—Adley Express Co. has awarded a contract for a \$19,000 1-story warehouse and garage, 50 by 80 feet, on Mill Street.

District of Columbia

Washington.—American Transfer & Storage Co. has filed plans for a \$90,000 5-story brick warehouse at 2801 Georgia Avenue, N. W.

Illinois

Oak Park.—Jackson Storage & Van Co. has awarded a contract for extensions and improvements in its warehouse.

Iowa

Des Moines.—Gray Wells Transfer & Storage Co. has taken over under lease, for warehousing purposes, a \$50,000 2-story and basement building, 88 by 133 feet, to be erected at Fifth and Vine Streets.

Sioux City.—Bekins Van & Storage Co. has awarded a contract for a \$25,000 addition to its warehouse on Court Street.

Sioux City.—Consumers' Ice Co. is considering construction of a \$125,000 multi-story cold storage warehouse and ice plant.

Sioux City.—Union Truck Depot, Inc., will construct a \$24,000 1-story trucking and shipping depot, 40 by 150 feet, at Third and Jennings Streets.

Louisiana

Shreveport.—American Compress & Warehouse Co. is perfecting plans for a

\$30,000 1-story warehouse on Johnson Street.

Massachusetts

Boston.—New York, New Haven & Hartford Railroad Co. will erect a \$160,000 1-story freight terminal and warehouse, 60 by 650 feet, on Fargo Street.

Cambridge.—Beacon Warehousing Trust has asked bids on a general contract for a \$160,000 3-story warehouse, 110 by 145 feet, on Commercial Street.

Missouri

Kansas City.—United States Cold Storage Corp. has awarded a general contract for a cold storage warehouse addition, variously eight and five stories, to cost about \$1,000,000.

Nebraska

Hastings.—Union Pacific Railroad Co. has awarded a contract for a \$175,000 one-story warehouse and freight station, 45 by 425 feet, on Denver Avenue near South Street.

Omaha.—Jerpe Cold Storage Co. is planning a cold storage warehouse addition to cost about \$60,000 with equipment.

New Jersey

Jersey City.—Delaware, Lackawanna & Western Railroad Co. has awarded a contract for a warehouse and freight terminal, 340 by 410 feet, various one-story and eight stories, at Grove Street and Jersey Avenue, to cost approximately \$4,500,000 with equipment.

New York

Brooklyn.—Waterfront Service Corporation has completed plans for a \$125,000 two-story addition and improvements in its present building.

Buffalo.—Delaware, Lackawanna & Western Railroad Co. is completing plans for a \$250,000 one-story warehouse terminal at the foot of Main Street.

New York City.—Strand Moving Co. has purchased and will occupy the eight-story building at 344-346 East 32nd Street.

Ohio

Barberton.—Henry Coal & Ice Co. has awarded a contract for a \$100,000 two-story cold storage warehouse and ice plant at Baird Street and Bolivar Road.

Canton.—Pennsylvania Railroad Co. is planning establishment of a central freight distributing project, including warehouses, to cost \$2,000,000.

Cleveland.—Cleveland Railway Co. is having plans drawn for a \$150,000 storage and operating station on the Kinsman Road.

Cleveland.—Neal Fireproof Storage Co. has awarded a contract for a \$150,000 four-story and basement warehouse at Lorain Avenue and West 152nd Street.

Cleveland.—Nicholson Universal Steamship Co. is completing plans for a \$1,000,000 four-story warehouse and terminal building at the foot of East 54th Street.

Cleveland.—Nickel Plate Railroad is preparing plans for a \$60,000 warehouse on Croton Avenue.

(Concluded on page 90)

New Incorporations Within the Industry

California

Los Angeles.—Beverly Hills Van & Storage Co. Storage, transfer, van and express business. Organized by Clara V. Barnes.

Canada

Ontario, Fort Frances.—Northern Cold Storage & Warehouse Co. Capitalization, \$500,000.

Florida

Apopka.—Apopka Warehouse Co. General storage and warehousing. Capital, \$20,000 and 200 shares of no par value stock. Directors, Frank E. Henry, Caroline M. Henry and George M. Henry.

Illinois

Chicago.—A. Salavitch & Sons, Inc. Storage, moving, cartage, expressing, hauling. Capital, \$100,000. Incorporators, David Salavitch, Abe Salavitch and Morris Salavitch.

Chicago.—General Warehouse Supply Co. To deal in personal property of all kinds. Capital, \$20,000. Incorporators, B. W. Beadell, Harold L. Levy and G. C. Burke.

Chicago.—Mercantile Storage Co. To store automobiles and deal in cars and accessories. Capital, \$5,000. Incorporators, Ernest Dennen, Betty J. Dunsay and Bernard Shulman.

Chicago.—Packers' Motor Transit Co. Moving, hauling and transporting as a private carrier. Capital, \$10,000 and 1000 shares of no par value preferred stock. Incorporators, include C. A. Joslyn, S. H. Cady and G. A. Radell.

Oak Park.—Service Transfer Co. To cart, haul and delivery merchandise. Capital, \$10,000. Incorporators, Margaret J. Hannaford, Joseph E. Sheehan and Emil T. Thilly, Jr.

Kentucky

Louisville.—Cullen Cartage & Distributing Co. Capital, \$3,000. Incorporators, O. F. Cullen, Joseph Bonn and V. E. Cullen.

Louisiana

New Orleans.—Concession Ice Co., Inc. Cold storage warehouse and ice plant. Capital, \$30,000. Principal incorporator, S. J. Drapekin.

Massachusetts

Boston.—Port Wentworth Co. Storage warehousing. Capital 2000 shares of no par value stock. William Minot is president, E. Howard George, vice-president, and E. D. Brooks, treasurer.

Michigan

Detroit.—American Ice Co. Cold storage warehouse and ice plants. Capital, \$100,000. Incorporators, Arthur L. Buchanan, Roy T. Carless and Arthur L. Carless.

Detroit.—Consolidated Moving Corp. Storage and transfer. Capital, \$50,000. Incorporators, James H. Gant and David I. Raspberry.

(Concluded on page 90)

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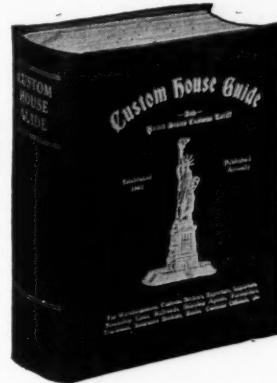
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Construction, Removals, Purchases and Changes

(Concluded from page 88)

Warren.—Youngstown Warehouse Co. of Youngstown, is planning erection of a \$60,000 one-story warehouse at South and Pine Streets, Warren.

Oklahoma

Britton.—Zero Ice & Cold Storage Co. of Oklahoma City has plans for a \$35,000 one-story cold storage warehouse and ice plant in Britton.

Pennsylvania

Philadelphia.—Atlas Storage Warehouse Co. has taken over under lease a portion of a warehouse at Locust and 25th Street and will occupy it for expansion of facilities.

Philadelphia.—J. C. Kahn and associates are completing plans for a \$500,000 three-story warehouse at Sixth Street and Glenwood Avenue, to be leased to a warehouse company the name of which is temporarily withheld.

Texas

Fort Worth.—Texas Ice & Refrigerating Co. has been acquired by the United Public Service Co., which plans an additional cold storage warehouse to cost about \$80,000 with equipment.

Lufkin.—Lufkin Ice Co. has plans for a \$90,000 one-story cold storage warehouse and ice plant.

Skidmore.—Pacific Fruit Express Co. of San Francisco has approved plans for a \$50,000 cold storage warehouse and ice building, with loading platforms, etc., for car service in Skidmore.

Virginia

Danville.—Tudor Ice & Cold Storage Co. has plans for a \$100,000 six-story cold storage warehouse and ice plant, 120 by 120 feet.

Washington

Spokane.—Bekins Moving & Storage Co. is completing plans for a \$200,000 five-story warehouse at Stevens Street and the Northern Pacific Railway right-of-way.

Wisconsin

Menasha.—Chich Remich Transfer Line has filed plans for a one-story warehouse, 60 by 100 feet.

Milwaukee.—Nicholson Universal Steamship Co. of Detroit and Cleveland is reported planning a \$1,500,000 two-story warehouse and terminal in Milwaukee.

Detroit to Have a Big Union Produce Terminal

Proposed construction of a \$5,000,000 union produce terminal to serve trade in the Detroit market is announced by the newly organized Detroit Union Produce Terminal Co., which is an affiliation of twenty-four carload lot receivers operating in the Detroit district.

The terminal will front on the south side of Fort Street and extend from

Springwells Avenue to Green Avenue. It will be constructed and owned by the Green Real Estate Co. and will be leased to the Detroit Union Produce Terminal Co. for a period of years.

There will be two large warehouses in which the package fruits and vegetables for the following day's trade will be loaded from freight cars to the produce trucks each night. The tracks will be flush with the concrete pavement so that the trucks can drive up to the warehouse and load without difficulty. Offices for dealers and rooms for salesmen, fruit auction facilities and the like will be included in the main warehouses.

The terminal location is accessible to every railroad entering Detroit, some lines having adjacent tracks and others passing within a block of the structure. A belt line road crossing every line entering the city passes by the site, which contains 36 acres, of which 24 will be devoted to the warehouses and sidings immediately, with the remainder held in reserve for expansion.

Sponsors of the new terminal say that it will reduce the overhead cost of the carload receivers as much as 40 per cent, some of which saving will result in lowered retail costs. The annual business in fruits and vegetables in the Detroit market is placed at \$50,000,000.

The new company hopes to occupy the terminal about Aug. 1, 1929.

'Frisco Firm Removes

The Security Storage & Van Co., San Francisco, has established quarters in a warehouse, containing 18,000 square feet of floor space, at 1338 Mission Street. The plant is of concrete and steel, two stories high. The Security, of which T. J. Lyons is manager, was formerly at 1467 Broadway.

Massachusetts Blaze

The household goods storage warehouse of the J. A. Keating Co. at 19 Sayville Street, Quincy, Mass., was destroyed by fire on Nov. 16. The loss was estimated at \$70,000, including \$30,000 worth of stored goods. The building was nearly a century old.

Hoffman Resigns from Tidewater

Captain Joseph M. Hoffman, for the past five years vice-president, general manager and operating executive of the Boston Tidewater Terminal, Inc., lessees of the Boston Army Base, has tendered his resignation to Harvey C. Miller, Philadelphia, the company's president.

Leo Coughlin, traffic manager, has taken over the duties temporarily.

East Chicago Firm Moves

The Quick Service Express, East Chicago, Ind., has removed to a new warehouse, at 220-222 Chicago Avenue, from 4602 Tod Avenue. The new structure, with a garage, cost \$27,000. The company plans to erect another building next summer.

New Incorporations

Within the Industry

(Concluded from page 88)

Grand Rapids.—Columbian Warehouse Furniture Co. To deal in furniture and household furnishings. Capital, \$10,000 and 15,000 no par value shares. Incorporators, John Zevalkink, Archer Shank and Lee Shank.

New Jersey

Newark.—Jefferson Terminal Corp. Warehouse terminal. Capital, 1000 shares of no par value stock. Incorporators, William S. Myers, Benjamin Kleinberg and Sidney Svirskey.

Montvale.—Montvale Ice Co., Inc. Cold storage warehouse and ice plant. Capital, \$80,000. Incorporators, Julius DeGeeter, George Huff and Wilhelmina Huff.

New York

New York City.—World Moving & Storage Co. Storage warehouse and van service. Capital, \$1,000. Incorporator, S. K. Beier.

Rochester.—Exchange Warehouse Co. Capital, 200 shares of common stock.

Ohio

Akron.—Dickson Transfer & Truck Line, Inc. Capital, 250 shares of no par value stock. Incorporators, George P. Pfaff, A. E. Hardgrove and E. A. Laney.

Cincinnati.—Queen City Drayage Co. Capital, \$25,000. Incorporators, William E. Wulferst, Wilbert X. Wulferst and W. E. Wulferst.

Cleveland.—J. L. Curtis Cartage Co. Capital, \$1,000,000. Incorporators, Alfred G. Mueller, W. M. Wahlstad and Vera M. Presher.

Columbus.—Columbus Warehouses, Inc. General warehousing and storage. Capital, \$25,000. Incorporators, W. D. Beck, Evelyn Brenner and C. G. Lane.

Columbus.—Lazelle Warehouse Co. Warehouse and storage business. Capital, 50 shares of no par value stock. Incorporators, G. H. Achatz, M. Paulus and F. W. Jaeger.

Pennsylvania

Pittsburgh.—Reinsfelder Transfer & Storage Co. Storage warehouse and transfer. To take over and expand business heretofore conducted by W. S. Reinsfelder.

Tennessee

Memphis.—A. B. C. Fireproof Storage, Inc. Capitalization, \$3,000. Incorporators, C. H. Rockett, T. J. Johnson, Lucille Rockett, W. H. Birmingham and W. P. Lopez.

Texas

Wichita Falls.—Wichita Falls Warehouse Building Co. Storage warehouse. Capital, \$35,000. Incorporator, Frank Kell.

Virginia

Suffolk.—Star Warehouse Corp. Storage warehousing. Capital, 150 shares of no par value stock. J. W. Elliott is president.